

The royal wedding in The Times

Royal wedding week will be commemorated with many special features including the first free colour magazine in the new paper's history.

Today: How the day will be celebrated outside London; guide to what will be open, page 2.

Tomorrow: The 64-page colour magazine which includes articles by the Archbishop of Canterbury, Lady Antonia Fraser, Norman St John-Stevas and Charles Douglas-Home, on the features pages. Prince Charles's last week of bachelorhood by Alan Hamilton, and a special guide to monarchies (deferred from Monday).

Wednesday: A two-page guide to the wedding day for television viewers and spectators, with Philip Howard giving a comprehensive timetable for the host of participants.

Thursday: A unique special souvenir edition, including a view of the future role for the Prince of Wales by his biographer, Anthony Holden.

Political tone to French murders

The secretary of a Gaullist strong-man organization was charged in connection with the murder near Marseilles of a police inspector, who was until recently local head of the organization. Investigators are searching for traces of five other victims, as the murders take on a distinctly political tone.

Loophole in ban on whaling

The ban on the hunting of sperm whales next year, arrived at during the international Whaling Commission meeting, seems to have a loophole. A scientific conference next March will review the evidence and a different decision could emerge, even if the conservationist countries still vote for a ban.

The Times

We apologize to readers of 'The Times' in certain areas for typographical errors and the appearance of some art reviews which were in Saturday's issue. This is because of an electrical breakdown in the photocomposition department.

European body to study tapping

The legality of telephone tapping by police in Britain is to be examined by the European Commission of Human Rights. Mr. James Malone, a Surrey antique dealer, has alleged that tapping of his telephone breached the European Convention on Human Rights.

Reagan appeal on tax cuts

President Reagan goes on television tonight to seek public support for his proposals to cut taxes. He is using every available tool to fight off a challenge from Democratic congressmen on the issue, which is complicated by his wish to have the measures in law before Congress goes into recess early next month.

Walesa on strike weapon

Solidarity, Poland's independent trade union organization, must have the strike weapon available, Mr. Lech Walesa, told The Times in an interview. He was responding to criticism of his wish to have the measures in law before Congress goes into recess early next month.

Shipbuilders hold losses

Mr Robert Atkinson, British Shipbuilders' chairman, will announce this week that the state-owned group has stayed within its original loss limit of £60m. The annual accounts are better than expected because of cost-cutting and fewer orders to claim government subsidies.

No hint of break in Maze crisis

There still appears to be no hint of a break in the Ulster hunger strike crisis. Two men taking part in the fast are on the brink of death after more than sixty days without food, but both the IRA and the Government seem to be entrenched in their positions.

MG Metro plan

BL may sell a high performance version of the Mini Metro being a MG badge in the United States. When the Metro was launched last October its prospects in America were dim, but the falling pound has made the company think again.

Springboks' tour in balance after clashes

By Our Foreign Staff

The fate of the South African Springboks rugby tour of New Zealand was in the balance last night after Mr Duncan MacIntyre, the acting Prime Minister, said the Attorney-General had been asked to advise on the legality of withdrawing visas from the South African players.

This followed the cancellation in Hamilton of the second match of the tour on Saturday following demonstrations and a threat by the pilot of a stolen small aircraft to crash it into the stadium.

Mr MacIntyre told a press conference after the Cabinet held a Sunday morning meeting to discuss the tour that the Army would not be called in to help police deal with demonstrators protesting against the visit.

In Washington, Mr Robert Muldoon, the Prime Minister, said that Government leaders would meet tomorrow to consider action over the tour, although he emphasized that the meeting would not necessarily decide whether the tour should be called off.

Mr Robert Walton, the Commissioner of Police, will report to the Cabinet today on whether he believes his forces are capable of controlling future demonstrations. He said after Saturday's confrontation that he doubted whether he could control the situation with New Zealand's full force of 4,900 police at his disposal.

Mr MacIntyre and other Cabinet ministers heard a report from Mr Walton yesterday afternoon and Mr Walton was asked to submit his views in a report for the full Cabinet today. The Cabinet will then report to a special Government caucus tomorrow.

Mr MacIntyre said last night he was alarmed about the situation which could arise if the police force could not have stopped the Hamilton troubles.

"I have discussed this with Mr Walton and the situation which occurred, and I have asked him to reconsider his statement and whether he would stand if he had to stop such a situation," he said.

It should be a matter for the Rugby Union to call off the tour if that were the advice of the police. If in that event it failed to do so the responsibility would rest with the Government.

Mr MacIntyre said police had been authorized to seek further logistical support from the Ministry of Defence but he ruled out the use of the Army against demonstrators.

He believed the main anti-apartheid group, Hart, had lost control of the protesters. "Other forces", whom he declined to identify, were helping organize the demonstrations, he said, and protesters were prepared for pitched battle.

Mr Ce Blazey, the chairman of the Rugby Union, had talks with Mr Walton and other senior police officials in Wellington yesterday. His council is expected to meet today.

The police performance at Hamilton has been both praised and criticized. Dr Robert Moodie, Secretary of the Police Association, said considerable anger and frustration existed among policemen at Hamilton because they felt they had not been tested as to whether they could handle the tour.

Mr Gideon Tait, a former Assistant Commissioner of Police, and Mrs Elizabeth Sunderland, head of a pro-tour organization, issued separate calls for Mr Walton's resignation. The next match is scheduled for New Plymouth on Wednesday.

An anti-apartheid coordinator, Mr John Minto, his face severely bruised from two separate beatings he had received, one on the rugby ground and one in a private house, from tour supporters, said that the protest had gone precisely as Hart had planned it.

Wedding ode of joy from Poet Laureate

Sir John Betjeman, the Poet Laureate, has produced a poem to celebrate the marriage of the Prince of Wales to Lady Diana Spencer. But because of a recent stroke Sir John, aged 75, will not be able to attend the service.

A friend said: "He is not very well. The poem is his personal gift."

The last time Sir John produced a work for a royal occasion was at the Queen's silver jubilee in 1977, when his hymn came in for some fierce criticism, with one MP describing it as "banal and pathetic".

The poem is as follows: "Let's all in love and friendship hither come. Whilst the shrill Treble calls to thundering Tom. And since bells are for modest recreation."

Those lines are taken from a ringer's rhyme Composed in Cornwall in the Georgian time. From the high parish church of St Endellion, Loyal to the Monarch in the late Rebellion.

Loyal to King Charles the First and Charles the Second, And through the Georges to our Prince of Wales. A human, friendly line that never fails. I'm glad that you are marrying Below Sir Christopher's embracing dome;

Four square on that his golden cross and ball Complete our own Cathedral of St Paul. Blackbirds in City churchyards hail the dawn. Charles and Diana, on your wedding morn. Come college youths, release your twelve-voiced power. Concealed within the graceful belfry tower. Till loud as breakers plunging up the shore. The land is drowned in one melodious roar. A dozen years ago I wrote these lines. "You knelt a boy, you rose a man. And thus your lonelier life began."

The scene is changed, the outlook cleared. The loneliness has disappeared. And all of those assembled Are joyful in the love you share.

Meter men try 'remote' reading

By Edward Townsend

British Gas has joined with electricity and water authorities to test the practicality of remote reading of credit meters.

The experiment, which is backed by the Department of Industry, involves installation of a "black box" to monitor all the meters in a house and convey the information along the electric power lines to the nearest transformer. The signal then is relayed to the individual authority.

The project will equip 400 homes in Milton Keynes and North West London with the devices beginning next year. The telephone is the only domestic appliance whose use is monitored externally.

A British Gas spokesman said to refit the country's 13 million gas and 20 million electricity meters with a monitoring system would be a "vast job".

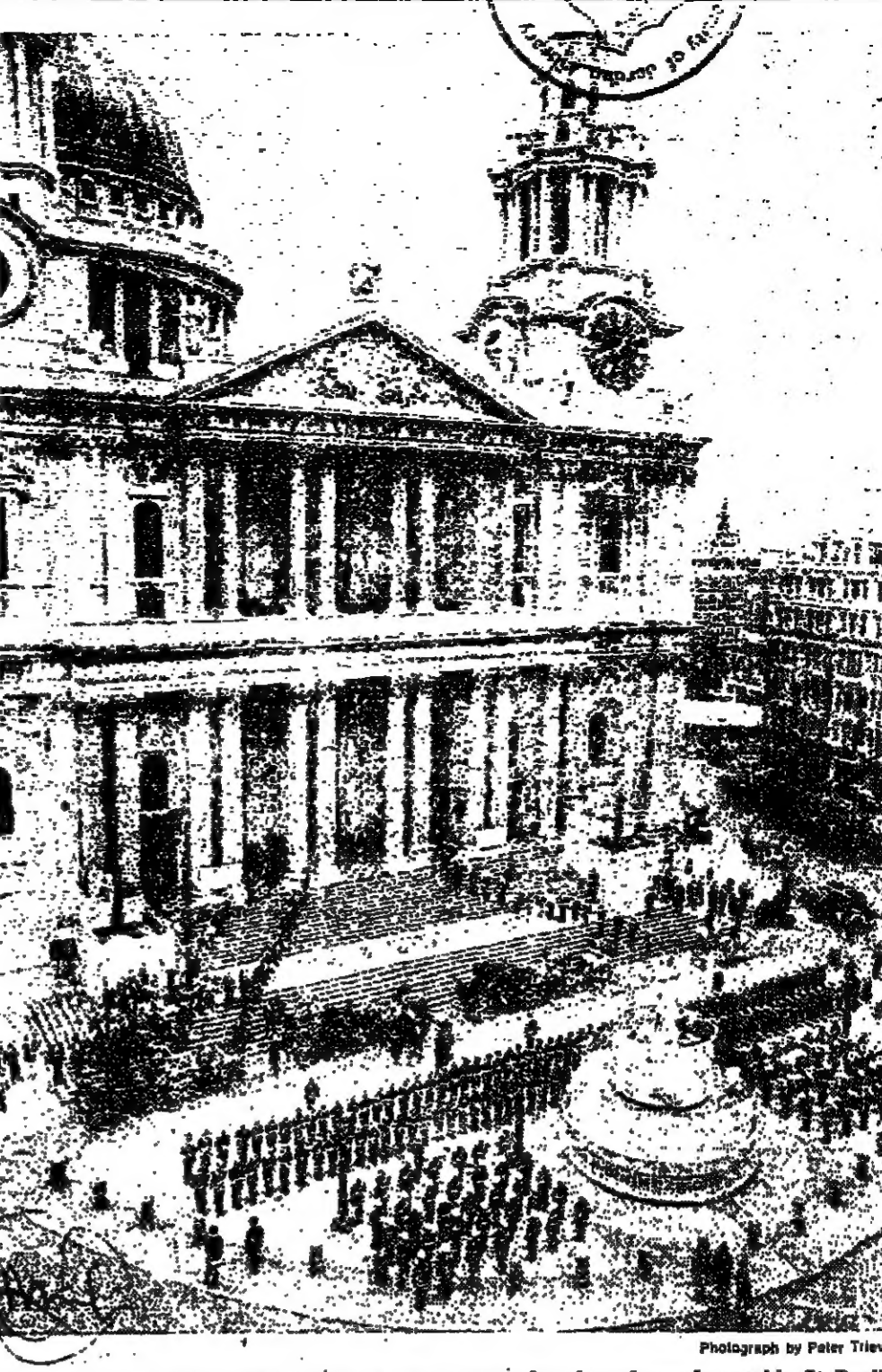
"We will need to make many more experiments before coming to a national scale. It is not a simple life for us a lot easier and cheaper but at the moment the meter reader looks like being a familiar sight for many years."

Remote meter reading is one of several ideas that British Gas is pursuing to reduce overheads and speed payment of bills. Another is a new system of credit vetting for hire purchase customers that aims to give quick clearance to those who satisfy minimum criteria.

Customers buying anything from a gas fire to a central heating system on hire purchase are now subject to a complex credit checking. Now, British Gas says it will provide the goods on credit to anyone who produces a banker's cheque guarantee card and is prepared to pay by standing order.

Action over leak rejected by the DPP

By Henry Stanhope



All but the real thing: The carriages were empty for the rehearsals outside St Paul's Cathedral yesterday.

A nervous Lady Diana faces the crowds again to see Prince win

From Alan Hamilton, Windsor

Lady Diana Spencer married yesterday, after her second attempt of the weekend, to watch the Prince of Wales play in a polo match and win. There were signs that she did not greatly enjoy the experience, being very long lenses poking at her from all directions the entire time and then taking a photograph which is quite easy to do saying "looking bored".

"I think all this added up to a certain amount of strain each time and it told eventually, hardly surprisingly, so I only hope after we get married it will be a bit easier for her to come to a polo match without this intensity of interest."

The Prince added that it was "absolute rubbish" that Lady Diana did not like watching polo, as some people had suggested. Yesterday Lady Diana was happy to leave the limelight to a star-studded galaxy of her wedding guests in the front seats, including the Queen, the Duke of Edinburgh, Princess Anne, Prince and Princess Michael of Kent, Mrs Nancy Reagan, ex-King Constantine of Greece, and Crown Prince Hassan of Jordan.

Before the Prince's match he and Lady Diana watched the Coronation Cup match between South America and the England first team. The visitors won 7-6. On Saturday while the prince went to prepare himself and his ponies for the match at Tidworth Garrison, Hampshire, between a Royal Navy team and the Army, Lady Diana took her front-row seat on the small raised open grandstand to watch the final chukka of a match between the local team and a visiting American side. She was wearing a thin dress, and although she smiled constantly, she talked little to her companions and appeared cold.

At the end of the match an area 30ft square was roped-off. Continued on page 2, col 5

Haddad threat endangers the fragile ceasefire

From Christopher Walker, Jerusalem, July 26

Major Saad Haddad, the commander of the Israeli-backed Christian militia in Lebanon, said today there would be immediate retaliation if there were any more breaches in the 48-hour-old Middle East ceasefire.

The threat, which was made during an interview with Israeli radio, played out one of the most vulnerable aspects of the ceasefire agreement. The continuing Israeli reconnaissance flights over Lebanon and the refusal by one Lebanese-based Palestinian group to halt its cross-border attacks also threaten to end the uneasy truce.

Since the ceasefire came into force at midday on Friday, Palestinian guerrillas have fired three separate salvos of Katyusha rockets into the narrow buffer zone controlled by Major Haddad, wounding three civilians.

Responsibility for the attacks has been claimed by the Popular Front for the Liberation of Palestine, one of the most extreme guerrilla groups, which today repeated its refusal to go along with the ceasefire terms, negotiated by the United Nations and Mr Philip Habib, America's Middle East envoy.

Think tank had warned of tension in Toxteth

By Peter Hennessey and David Walker

The Prime Minister was given a special study on the problems of Merseyside shortly before the Toxteth riots. It was prepared by the Central Policy Review Staff, the Cabinet's "think tank", and examined the cycle of deprivation in the area, and existing Government efforts to tackle it.

The report gave warning of the danger of increasing social tension in locations experiencing high unemployment and poverty, and the probability of threats to law and order stemming from them. But Whitehall sources are adamant that it did not amount to a dramatic "blood in the streets" prophecy.

It has been pointed out privately to The Times that such observations about the possibility of heightened social tension have become a recurrent feature of submissions to ministers on the subject of inner cities by those ministries concerned.

The main thrust of the CPRS report was an examination of why the battery of investment and assistance schemes already applied to Merseyside has achieved disappointing results. It also considered the likely success of the new enterprise zone at Speke, and the urban development corporation based on the Mersey docks.

After Greater Glasgow, Merseyside is regarded in Whitehall as the worst example of widespread urban deprivation in Britain. The CPRS team which drafted the report drew lessons from it for general application.

The think tank study is an important element in the briefing material taken to Merseyside by Mr Michael Heseltine, Secretary of State for the Environment. Mr Heseltine is one of the joint authors of the CPRS submission, who is on secondment to the Cabinet Office from the Greater London Council, has accompanied Mr Heseltine on his fact-finding mission. He collaborated on the original study with Miss Eileen Mackay, a principal on loan to the think tank from the Treasury.

From a base on the waterfront in the offices of the Merseyside urban development corporation, Mr Thompson is now taking part in the intensive round of discussions associated with Mr Heseltine's inquiry, and is meeting, once again, the many individuals and groups he and Miss Mackay consulted earlier this year.

Members of the think tank have been involved since last summer in an inter-departmental exercise in Whitehall that has monitored the continuing urban programme of grants totalling £224m a year to several local authorities engaged in partnership schemes stemming from the Inner Urban Areas Act 1978.

But the specific CPRS report on Merseyside has had a very limited circulation inside Whitehall. There does not appear, for example, to be any detailed knowledge of it in the Department of Education and Science or the Department of Health and Social Security, to name two ministries with a clear interest in inner cities.

Given the sensitivity of the subject in the light of recent civil disorder, The Times Continued on back page, col 2

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Ban on catching sperm whales leaves loophole

By Nicholas Timmins

Conservationists emerged from last week's meeting of the International Whaling Commission in Brighton with one important psychological victory and one real advance.

The psychological victory was the passing of a zero quota, in effect a ban on the hunting of sperm whales next year. This season's 1,320 will be taken.

The real advance was a ban from November on the use of the cold harpoon, a particularly slow and cruel way of killing whales. The harpoon, which is used only to take the small minke whales, will be replaced by a new explosive device, which should ensure a more humane end.

The question is whether the sperm whale ban will prove effective.

Of the countries that hunt sperm whales, Chile, Peru and Iceland had agreed before this year's meeting to stop their catch. The zero quota therefore merely confirms that position.

The remaining 850 sperm whales are taken by Japan. But before the quota comes into force the commission is to hold a scientific meeting and then a full session in March next year to examine the scientific evidence for the ban.

The 850 sperm whales are taken by coastal whalers from a stock of 210,000 whales in the North Pacific.

Japan argues that the stock can easily withstand the catch, and the scientific model on which the conservationists argue that the stock should be protected produces a sufficiently headline result for any new data that emerge between now and next March to lead possibly to the scientific meeting's agreeing that the stock could still be exploited.

The question then would be whether the conservationist

countries would vote for a ban anyway.

Despite warnings from the Japanese commissioner last week that Japan would exercise its right to object and carry on the hunt if a total ban was passed, it is likely that Japan will agree to the zero quota if that is what the scientific evidence shows.

If the evidence goes the other way, but the conservation countries still vote to stop the hunt, Japan's reaction is impossible to predict.

There are signs of internal tension in Japan over whaling. The Foreign Ministry is said to believe that the damage whaling is doing to the country's reputation is no longer worth while when it is such a trivial part of the economy.

On the other hand, the ruling Liberal-Democratic Party relies in part on the votes of the rural, whaling, and fishing communities for a disproportionate number of seats in the House of Representatives, so the issue has greater political importance within Japan than the whaling industry's annual turnover of £34m would otherwise imply.

The threat of fishery sanctions by the United States if Japan does register a formal objection might, however, be enough to make the issue not worth pursuing.

Japan has a small advance at this year's meeting by managing to increase the Antarctic catch quota of the minke whales. With their numbers rising, 8,102 has been set as the limit for the coming year, almost 1,000 more than will be taken this season. The result is that the total number of whales that can be taken next year is roughly the same as last year.

Time running out, page 10

Battle for Croydon

How young Pitt was turned by Grimond

By Ian Bradley

Mr William Pitt, the man with the famous political name who seems certain to bear the Liberal Party standard in the Croydon North-West by-election, is a former Young Conservative chairman who now finds himself well to the left of his own party.

His political development owes much to his wife, Janet, who comes of traditional radical Nonconformist stock. It was her strong views on racial discrimination and apartheid which led him to leave the Conservatives in 1959. He switched his support to the Liberals, but did not join the party until 1970.

Race relations have continued to be a strong interest of Mr Pitt's ever since. He is one of the vice-chairmen of the Joint Committee Against Racism, the only all-party group on the subject in Britain.

Like many of his generation (he is now 44), he was also drawn to the Liberal Party by the speeches and writings of Jo Grimond. The themes articulated by Grimond in the late 1950s and early 1960s, realignment of the left, reform of the electoral system, and co-partnership and profit sharing in industry, are among Mr Pitt's strongest political commitments.

A convinced pacifist and former member of the Campaign for Nuclear Disarmament, who says that he supports all Liberal Party policy except in the field of defence, he is generally regarded as standing on the left of the party. During the late 1970s he edited *Radical Bulletin*, an influential newsletter which often took a highly critical line on the Liberal establishment.

In the leadership contest which followed Jeremy Thorpe's resignation, he supported the radical John Padoe rather than the more conservative David Steel.

He was a leading opponent of the Lib-Lab pact of 1977-78. He says that he opposed it for the same reason that he now supports an alliance with the SDP. "We were in a compact with a discredited party with an outdated philosophy. Now we are in alliance with people who believe like us that what

is needed is a radical change in British politics."

A keen trade unionist and chairman of the Lambeth branch of the National and Local Government Officers Association, Mr Pitt sees the overriding issue in British politics as being the need to break down the class system which he sees as permeating the whole of our society.

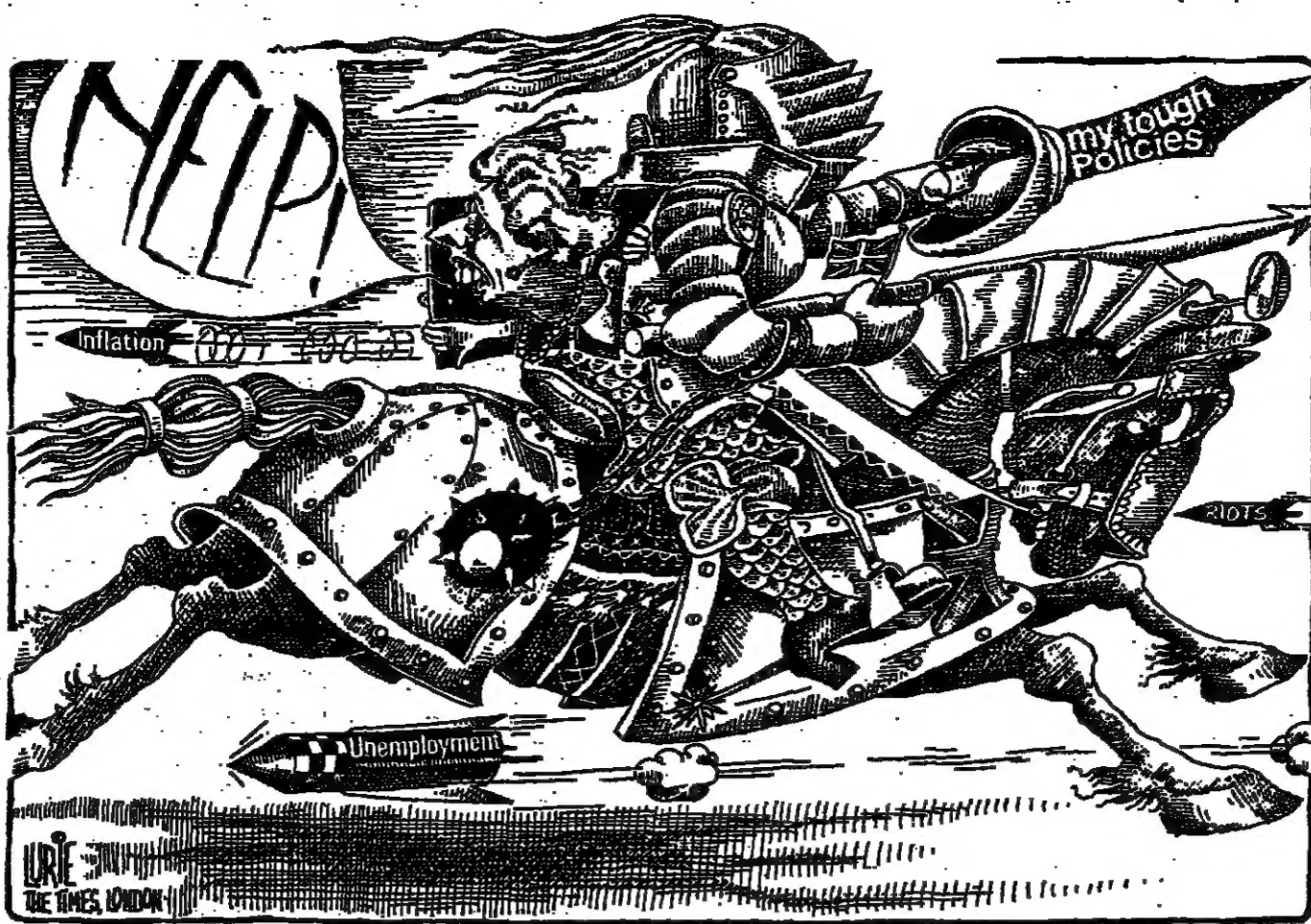
As a former housing action officer he is particularly conscious of the way in which the class system is reflected in the British housing system. "Basically you either own or rent," he says, "and if you rent, you effectively rent from the council and are seen as 'inferior'. I would like to see a much wider spectrum between these two poles with far more co-ownership in various forms."

Mr Pitt's career has changed direction in a similar way to his political views. After a grammar school education, he spent the first 20 years of his working life as a lighting design engineer. Six years ago, however, he felt that his creative drive was no longer being fulfilled in industry, and he joined Lambeth Borough Council.

He describes the two and a half years which he spent at a housing advice centre in Brighton as the most rewarding period of his life. He now works as a technical officer in the environmental health team covering one of the housing action areas where his responsibilities include inspecting the drainage in Raiton Road.

It is all a far cry from his conventional suburban upbringing in a family with strong service connections. (His grandfather was in the army and his father, who was in the RAF, was killed in the Battle of Britain.) In a way, however, his progress from youthful conservatism to middle-aged liberalism echoes the experience of many of those whose votes he will be soliciting some time in the next two or three months.

Croydon, where he has lived all his life, is, after all, only a few miles away from Orpington where 19 years ago a similarly suburban electorate suddenly decided that it was Liberal rather than Conservative.



Commission to rule on phone taps

By a Staff Reporter

The European Commission of Human Rights is to examine the legality of telephone tapping in Britain by the police after allegations by a Surrey antiquities dealer that tapping of his telephone breached the European Convention on Human Rights.

As predicted in *The Times* last November, the commission has ruled that the case, brought by Mr James Malone, of Dorking, Surrey, is admissible, or worthy to be examined. It will now consider the case in detail.

Mr Malone tried unsuccessfully to sue the Metropolitan Police in the High Court in 1979 for tapping his telephone. Sir Robert Megarry, the Vice-Chancellor, ruled that the police had not broken the law but said the control of tapping "cries out for legislation".

In 1977 Mr Malone was charged with offences concerning dishonest handling of stolen goods. After two trials he was acquitted in 1979.

He maintains that since 1979 he has been kept under police surveillance, his correspondence has been intercepted and his telephone lines have been tapped. The prosecution admitted during his first trial that one telephone conversation had been tapped.

Mr Malone alleges a breach of articles eight and 13 of the convention. Article eight deals with the protection of an individual's right to privacy in his family, home and correspondence, and article 13 with the right to an effective remedy before the national authority concerned.

Sir Robert ruled that English courts had no power to give effect to the protections laid down in the European convention, ratified by Britain in 1951. But he said Britain was obliged to secure those rights and freedoms for its citizens.

The Government argues that article eight permits interference under certain conditions.

BUTTERFLIES BATTLE FOR SURVIVAL

A national fund to ensure the future survival of Britain's butterflies has been launched as part of Butterfly Year.

The appeal aims to secure reserves and aid research and land management schemes. "Butterflies are indicative of the general health of our countryside and are becoming rarer as pressures from urban and agricultural developments increase," Mr John Tatham, chairman of the British Butterfly Conservation Society, said. "If butterfly habitats are conserved, other animals and plant life will also benefit."

Scientific surveys have confirmed that most British species are in severe decline and that some have reached crisis point.

The large blue butterfly, officially declared extinct in Britain, is alive and well in the Cotswolds, according to a naturalist, John Lodge. He says the butterfly was spotted there during an expedition he made to the area earlier this month.

IN BRIEF

Dangerous youth in breakout

A youth said to be dangerous, escaped yesterday from a top security treatment centre in Birmingham.

Simon Hennessy, aged 16, who had been in the Glenhorne Youth Treatment Centre in Erdington, Birmingham, since June, 1979, after admitting the manslaughter of his aunt in Plymouth, escaped by forcing his way out of his room and using a grapple made of bedding and a piece of iron, scaling an 18ft security fence.

Crash dead named

Five people died in a head-on collision on the A427 near Oundle golf club, Northamptonshire, on Saturday. Four were named yesterday as: Mr Michael Hunter, aged 42, of Hunters House, Lower Benefield, Northamptonshire; his wife Vivien, aged 37; Trudi Stacey, aged 14, of Pickering Road, Hull; and Angela Peck, aged 27, of Dresden Close, Corby.

Jazz festival a hit

More than 8,000 peaceful fans yesterday attended what was claimed to be Britain's biggest jazz festival. On police advice, the Capital Radio festival was moved from Clapham Common, south London, to the grounds of Knebworth House, in Hertfordshire.

Tax dodge Bill

A Bill aimed at stamping out "tax dodging" by companies who siphon off profits to subsidiaries in the Channel Islands and the Isle of Man is to be introduced in the autumn by Mr George Poulkes, Labour MP for South Ayrshire.

Vets help sharks

Veterinary surgeons from Striking University's institute of aquaculture are trying to save sharks at Marineworld in Florida. Preliminary findings suggest a food allergy is responsible for the sharks skin disease.

Trawler seized

A Spanish trawler, the *Vallparago*, was arrested, accused of using illegal fishing methods 175 miles south-west of Falmouth yesterday and was escorted to Plymouth, where ministry officials were waiting to examine her gear.

Backing for belts

The Royal College of Physicians is backing a clause in the Transport Bill which would make the wearing of seat belts compulsory. The Bill is to be debated in the Commons tomorrow.

Lavender harvested

Britain's fragrant lavender crop is being harvested in North Devon around the Sandringham royal estate. Fifty thousand tourists are expected to see the 100-acre crop gathered in.

Prisoner dead in cell

A man serving a one-month sentence for failing to surrender to bail, imposed at Blackburn Magistrates' Court last week, was found dead in his cell at Liverpool yesterday. He was Joseph Potts, aged 56.

Metro 'MG' may be sold in the US

By Peter Waymark, Motoring Correspondent

A plan to sell the mini Metro in the United States, possibly in a high-performance version bearing an MG badge, is being considered by BL in the light of the falling value of the pound.

At the Metro's launch last October, when the pound stood at \$2.40, the prospects for the car in the United States were dismissed because it would have been too dear to be competitive.

But the steady decline in the pound since then—on Friday it stood about \$1.87—has caused BL to have second thoughts. A Metro with an MG badge is considered particularly appropriate because three-quarters of MG cars were sold in the United States.

The Metro would have to comply with stringent United States safety and emission requirements. BL is confident that modifications which would include the fitting of larger bumpers and a cleaner engine, could be carried out.

Jaguar is the only BL marque now sold in America. Exports of MG sports cars stopped with the closure of

Nalگو tells women to report the office wolf

By Donald Macintyre, Labour Correspondent

Women who face persistent sexual advances from male colleagues at work should call in their trade union to deal with a "widespread but often unreported aspect" of office life.

That advice is contained in a six-point plan, issued by the National and Local Government Officers' Association, to its 400,000 women members on how to cope with the office wolf.

The union, which says it is the first to have issued such guidelines, has found that women often do not report being pestered.

They may think they will not be believed, fear publicity or think that if they report the harasser they may be refused promotion, given bad jobs or even forced to leave.

The union's equal opportunities committee has advised branches to press employers to state that they will not tolerate sexual harassment and back that up with sanctions.

Meanwhile, women who are pestered in their offices are advised to keep a diary of the incidents and a record of "positive comments" made about their work in case charges are raised later against their competence.

The first recommendation is that a victim should tell the harasser to stop or make it clear to him that his actions are unwelcome. If that does not work, the woman should inform her shop steward and ask other women if they have been bothered by the man.

The guidelines say that the shop steward should inform the branch secretary at every stage and inform the management of the problem and seek a resolution "before pursuing a formal grievance procedure". If that does not work then the grievance procedure should be continued, but only after thorough discussion with branch representatives.

Ms Sheila Smith, committee chairman, said yesterday that responses to union surveys showed that sexual harassment was going to be an important issue in future, after a long period when it had been regarded as a bit of a joke.

"We want to ensure that sexual harassment is seen as a trade union issue in order to eliminate it."

CHILD'S TAXI FALL

A two-year-old boy was taken to hospital yesterday after opening the door of a taxi and falling under its back wheel on the M4. He is Talal Said, of Belgrave Road, Westminster.

Science report

Dust clouds saved the Earth from radiation

By the Staff of "Nature"

The Milky Way galaxy, of which the Sun and Earth form a part, may have swept itself clean of life by enormous outbursts of radiation every 100 million years or so. That would explain the failure of attempts so far to detect signals produced by some "extra-terrestrial intelligence" despite the probable existence of one billion habitable planets in the galaxy, says Dr J. N. Clarke, of the David Dunlap Observatory, University of Toronto.

It would also tend to suggest that the human race should not be here to comment on the fact; but as Dr Clarke points out, the galaxy is scattered with interstellar dust clouds which could hide a planet from too much radiation. We must have been inside one every time the galaxy lit up.

The need for some 30 to 50 such lucky accidents in the lifetime of an inhabitable planet, before it produced intelligent life (it took over three billion years on Earth), would have thinned out intelligent life in the galaxy quite drastically; and it leaves us waiting nervously for the next outburst and hoping that we will be inside a dust cloud in time.

Remarkably, that exotic picture is not altogether impossible. The Milky Way is a spiral galaxy, and about 1 in 100 of such spirals are "Seyfert galaxies", with enormously bright nuclei pouring lethal X-rays among their surrounding stars.

These Seyferts have been thought to be permanently bright; but they may instead be ordinary galaxies which switch into the Seyfert state about 1 per cent of the time. Assuming that the "on" time is longer than the few decades for which astronomers have been observing them, that would also account for the observed number of Seyferts. And in fact, three years ago two British astronomers, Dr M. E. Bailey (now at the University of Sussex) and S. V. M. Clube, of the Royal Observatory, Edinburgh, collected some significant evidence in favour of this hypothesis, and concluded that brilliant outbursts every million to billion years in the nuclei of large galaxies were quite likely.

Source: *Nature*, vol 46 p 94 (1981).

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Mentally ill prisoners roam free, MP claims

By a Staff Reporter

The public is being endangered because mentally disordered prisoners with convictions for offences such as wounding, assault, incest and arson are being released to wander the streets, an MP claims today.

Mr Robert Kilroy-Silk, Labour MP for Ormskirk and chairman of the parliamentary all-party penal affairs group, says he has been told in parliamentary answers by Mr Patrick Mayhew, Minister of State at the Home Office, that seven such prisoners have been released from prison so far this year, even though the Home Secretary considers they should have been detained in hospital.

He was also told that before the year was over a further six mentally disordered prisoners would be released, one of them a man with convictions for robbery with violence, unless hospitals are prepared to accept them.

The public is being endangered because mentally disordered prisoners with convictions for offences such as wounding, assault, incest and arson are being released to wander the streets, an MP claims today.

Mr Kilroy-Silk said: "It is extremely disturbing that the public should be endangered because the Home Secretary is obliged to release some people into the community even though he admits that they require detention in hospital under the terms of the Mental Health Act 1959."

"Equally important is the fact that these prisoners are being denied the medical treatment and nursing care which is their right and which the NHS has an obligation to provide," he said. "The National Health Service and its staff will not voluntarily meet their obligations to these offenders, and to the public, then legislation must be introduced to make them, Mr Kilroy-Silk said.

Psychiatric hospitals will not admit these patients because the offenders are potentially violent or disruptive.

Although regional secure psychiatric units had been recommended as long ago as 1974 as a matter of urgency in the Butler report on mentally abnormal offenders, and 14 regional health authorities had received a total £46m from the Government specifically to set up the units, only one, in Middlesbrough, had so far been opened, he said.

In its report on the prison service published last week, the Commons Select Committee on Home Affairs, of which Mr Kilroy-Silk is a member recommended that legislation be introduced to require the provision of NHS places for any mentally disordered offender on whom the court made a hospital order.

In another parliamentary answer Mr Mayhew has dis-

closed that 36 prisoners who have been recommended for transfer to hospital under section 72 of the Mental Health Act, but have not yet been given hospital places.

They have committed such offences as murder, manslaughter, arson, malicious assault, rape and robbery with violence. Among them are the six due to be released this year if not place is found.

Mr Tony Smythe, national director of Mind, the National Association for Mental Health, yesterday criticised Mr Kilroy-Silk for creating an image of "raving madmen being released on to the streets to commit offences".

There was no evidence, he said, that mental hospitals would not take offenders once they had finished their sentences, although they were sometimes reluctant to take those still completing their sentences or transferring from special mental hospitals.

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Protesters picket games for disabled

Anti-apartheid demonstrators picketed the Manderley Hotel, which is the headquarters of the international games for the disabled, opened in the hospital's new sports stadium.

Despite appeals from about 50 demonstrators for the South African team to be banned from the games, the event, involving 800 competitors from about 40 countries, got under way without trouble.

The banner-waving demonstrators, including several in wheelchairs, said that eight countries had withdrawn from the games because of the South African presence.

The organizers, however, said that although some countries had withdrawn in previous years over the issue, none had joined this year and five nations new to the games were taking part.

The South African team of 34 members includes seven blacks. Mr Peter Goldhawk, their team manager, said: "The South African team is selected purely on merit. Our organization and our team are non-racial."

Members of the South African team came to face with the demonstrators before the games started. There was a brief argument. Police officers stood by, but there was no trouble.

The police banned the demonstrators from entering the hospital's £1,500,000 new Olympic village, but several managed to smuggle in banners and were escorted out.

Among the protesters was Mr Bernard Leach, from Manchester, who is a poliomyelitis victim. He had been selected to take part in the games for the first time, in five swimming events.

Mr Leach, aged 34, the British disabled freestyle record holder, said: "When I discovered that South Africa was participating, I wrote to the organizers telling them I was withdrawing in protest."

Scruton, secretary general of the South African National Olympic Committee, said: "No doubt I will be accused of bringing politics into sport, but simply the fact that you invited an artificially 'mixed' team from South Africa means that you have brought politics into sport by providing the South African Government with wonderful propaganda in the International Year of Disabled People. That I want nothing to do with."

Miss Scruton has been told by the South African Non-Racial Olympic Committee that she will be recommended for inclusion in the United Nations sporting blacklist unless she bans the South Africans.

But she said yesterday that the South Africans were participating in the games by right, not by invitation.

Mr John Carlisle, Conservative MP for Luton, West, said on Saturday that the proposal to blacklist Miss Scruton was disgraceful. He would raise the matter in the Commons next Friday.

Heathrow health checks Anger over father's deportation

From Arthur Osman, Birmingham



Mr Denis Howell: Apology from minister.

Disenchantment and disillusion were being expressed about "unsympathetic and bureaucratic" procedures involving the health of visiting relatives from abroad arriving at Heathrow airport, an MP said yesterday.

Mr Denis Howell, Labour MP for Small Heath, Birmingham, said he was calling for a wide review of some of the airport's arrangements and continued: "The Home Office and Department of Health have no idea of the harm they are doing to community relations by the unsympathetic bureaucracy imposed on people arriving here to visit relatives."

Mr Howell said that even from official figures there was a 30 per cent rate of error involving the number of people refused entry on health grounds and subsequently found to be clear.

He had protested to Mr William Whitelaw, the Home Secretary, about the deportation on Friday night of a man aged 56 from Czechoslovakia who had arrived earlier this month to visit his son in Birmingham but was refused entry on health grounds and detained in hospital.

The man's son and a community leader had been told by an immigration officer that if they could pay for treatment for Mr Qamar Ali he could stay.

The son, Mr Ghulam Abbas, aged 39, a carpenter, of Salford, Birmingham, died with three children, had immediately raised £2,000 from relatives in

the city. That was paid to Birmingham Area Health Authority in the expectation of his father being allowed to have treatment at East Birmingham Hospital.

Dr Craig Skinner, a consultant in pulmonary diseases at the hospital, accepted him as a patient and said that if necessary he would go to Heathrow to collect him. Mr Howell said every guarantee was given that his father's visit was for two months only.

He continued: "At first I was told by the Home Office that the father could not come in because he had a form of tuberculosis which might become infectious within a day or so."

"I took advice on this from medical officers in the Midlands, who said: 'Such an explanation is unmitigated nonsense'. When I told them that the Home Office intended putting this man on an aircraft with a hundred or so other people, a chief medical officer could only say: 'My God, no'."

"I object to being told cold-shoulder such as the father having TB that might be infectious in one or two days. I have never heard of any such condition; either you have infectious TB or you don't."

In his reply Mr Whitelaw said that Mr Howell rightly took exception to the tone of some of the personal references made to him in a report by a senior officer of the immigration service.

The officer had said that perhaps the hospital had been "stamped" into discharging Mr Ali by Mr Howell, and remarked: "If so, and the passenger has active TB and infects some young children, then Mr Howell really will have cause for complaint."

Mr Whitelaw said: "I ask you to accept my apologies for these references and for the offence which they have caused. I have left the immigration service in no doubt of the high importance which I attach to representations from MPs being considered courteously and objectively. I believe, in fact, that their record in this respect is very good."

He did not accept that decisions taken in the case were incorrect.

Pay talks in port dispute to resume

From Our Correspondent Liverpool

A mass meeting of about 2,500 Mersey dockers in the Liverpool Boxing Stadium yesterday voted overwhelmingly to "wipe the slate clean" on the three-month pay deadlock to enable negotiations to resume.

The port employers then withdrew their warning to introduce changes in working practices from today. The port modernization committee, comprising employers' and transport union representatives will resume talks this morning on the basis of a "blank sheet of paper".

The vote clearly shows the men's acceptance that any pay rise must be accompanied by changes in working practices, which had been the sticking-point throughout.

"They also agreed that there would be no further disruption of the six one-day token cargo handling strikes held so far."

Mr Denis Kelly, chairman of the Mersey docks shop stewards, said later he hoped there could be agreement within two weeks.

Gallery nears target to save Algardi

By Frances Gibb

A seventeenth-century marble bust by Alessandro Algardi of an Italian cleric, Mr Cerri, looks certain to be saved from export to the Metropolitan Museum in New York by the Manchester City Art Gallery.

The gallery has raised all but about £24,000 of the £265,000 needed to buy the sculpture and is hopeful of finding the balance by the deadline of August 21.

The bust was bought at a Christie's sale in September, 1979, by Agnew's, the London art dealers for £165,000, and sold shortly afterwards to the Metropolitan Museum in New York for £265,000.

Mr Newman St John-Stevens, then Minister for the Arts, put an embargo on an export licence to give British collectors a chance to match the purchase price and save the work from further disruption.

The embargo expires on August 21. Manchester has been offered £132,500 from the Government fund for regional purchases run by the Victoria and Albert Museum and £30,000 by the National Art Collections Fund, a charitable trust, and has

raised more than £45,000 by a public appeal.

If it can find a further £24,000 by public appeal it is understood that the National Heritage Museum will provide the remaining £33,000 or so to clinch the deal.

But even if Manchester succeeds in saving the Algardi, it has another difficulty. It has also launched an appeal for funds to save a painting by the seventeenth-century French master, Nicolas Poussin, formerly owned by the Duke of Devonshire, from being exported to California.

The gallery has to find £1.8m by September 12 if the Poussin, sold by the duke at Christie's in April to raise funds to endow Chatsworth, is not to go to the Paul Getty Museum in Malibu, and the Norton Simon Museum, in Pasadena, which have jointly bought the work.

Mr Hugh Leggat, secretary of Heritage in Danger, said yesterday: "Support must be forthcoming for this urgent appeal, because the work is of ravishing beauty and of supreme cultural importance."

Amnesty to relieve French jail crowding

From Our Own Correspondent Paris, July 26

France's far-reaching Amnesty Bill, which the Senate voted for unanimously, goes to the National Assembly this week. It is designed not only to demonstrate what Mr Robert Badinter, the Minister of Justice, calls the desire for national reconciliation of the left, but also to provide a temporary solution to the explosive problem of overcrowding in French prisons.

In that respect the situation in France is as bad as it is in Britain, with its aggravating circumstance, that nearly half—43.1 per cent to be precise—of the French prison population is made up of persons awaiting trial.

The amnesty, when it becomes law this week, will affect about 5,000 people, those serving sentences of less than six months, those sentenced for "crimes against state security" those guilty of "economic crimes" and conscientious objectors and deserters.

In addition, another 4,775 people were granted a presidential pardon on July 14, although it is not clear whether they have fallen within the scope of the amnesty law in any case. But it means that the French prison population will drop by about 9,000 this summer. Conventional releases at a normal rhythm will also help.

For the Minister of Justice, this comes none too soon. He told a press conference earlier this month that the prisons were in a state of crisis. There were 40,555 people behind bars, an accommodation for only 30,000. This meant that the overpopulation of some prisons was around 200 per cent.

"Every day, I hope it will not be too hot, for the temperature is rising. It might lead to an explosion at any moment. Such an explosion took place after M Giscard d'Estaing took office in 1974, and led to a far-reaching penal reform, but they are growing pressure of rising crime statistics, and of a feeling of insecurity in public opinion."

That feeling of insecurity is still very strong, and the announcement of the presidential pardon along with the release of a first batch of 1,500 prisoners last week, had little or no hope of finding honest work, and who would therefore almost inevitably revert to crime, has heightened it.

The Government has made some additional funds available for the rehabilitation of ex-prisoners, but they are grossly inadequate. The administrative services which handle them are overwhelmed. Already the press is giving some prominence to those few cases in which, after only a few days outside, ex-prisoners have fallen back into crime.

But the Government obviously prefers to reduce the tension in the prisons, where—and this is another aspect of the problem—the same number of warders is supposed to look after 15,000 prisoners more than was the case in 1974, even at the risk of temporary insecurity, until additional accommodation is made available, in open prisons, or prison camps, of which there are a few already in this country.

The Minister also plans to reduce the imprisonment of minors as much as possible, to limit the possibility of substituting prison for a custodial sentence, and of course to curb the irresistible urge of most French judges to play safe and keep people behind bars before trial, even when it is not strictly necessary.

Several attempts were made to do this while M Giscard d'Estaing was President, but they ended against deeply ingrained habits and routine.

He listed General Franco among the nation's heroes, and gave a warning against an enemy which had infiltrated even the church in an effort "to destroy our spiritual and moral values".

Lieutenant General Manuel Fernandez Posse made the remarks in the form of an appeal to Spain's religious patron, St James the Apostle, which he delivered on his knees at the saint's shrine in the north-western city of Santiago de Compostela yesterday, the saint's feast day. The scene was broadcast by the state-run television network.

General Fernandez Posse, commander of Spain's eighth military district, which takes in the north-western corner of the country, referred to "the high honour of acting in representation of His Majesty the King" but there was no indication of whether the text of his speech was cleared beforehand by the King's staff.

Traditionally, the head of state delivers the invocation during holy years, and a military man represents him in other years. The King himself spoke at the annual ceremony in 1976.

Political links in murder of French police inspector

From Charles Hargrove, Paris, July 26

Pierre Debizet, aged 59, the secretary-general of the Service d'Action Civique (SAC), the Gaullist strong arm organization set up in 1958 and involved in several political scandals, was charged today in connection with the murder of a week ago at Auril, near Marseilles, of M Jacques Massie, a junior police inspector, and until recently the local head of the organization.

With M Debizet's arrest, the murder of M Massie and of five members of his family, has taken on a distinctly political character. M Debizet, who was questioned by the police in Paris for the last 48 hours, is to be transferred to Marseilles in the next few days. There he will be confronted with M Jean-Bruno Finocchietti, aged 31, a teacher and member of the SAC, and three other persons.

So far only one body has been found, that of the police inspector. Investigators are still searching for traces of the other five victims, including M Massie's eight-year-old son.

The Government is determined to leave no stone unturned. M Pierre Mauroy, the Prime Minister, who was inaugurating the Poitiers-Bordeaux motorway yesterday, said that the mystery would be cleared up, whatever the importance of the case or the persons who might be found to have organized the murders.

The Government would not tolerate individuals or groups attempting to revive a form of activism contrary to all the elementary rules of democracy. M Gaston Defferre, the Minister of the Interior, assured the police a few days ago that

they could count on him. However powerful the people who might be implicated, he also announced his intention of moving more vigorously than the previous Government against extreme right-wing organizations.

At the Gaullist headquarters, surprise was expressed last week at the attempt being made to exploit for political purposes what in the party's view is a straightforward common-law crime. It maintained that the SAC was totally independent of the Gaullist movement.

But it was also said it was dishonest to discredit a whole organisation because of the misdeeds of a few black sheep.

There is no denying the political flavour of the affair, however, and its ramifications with the police. M Bernard Delaplace, the secretary-general of Police Unions, said in an interview last week that many senior members of the force had close connections with the SAC.

Rajai set for massive win in Iran presidential poll

Tehran, July 26.—Mr Muhammad Ali Rajai, the Iranian Prime Minister, today seemed set for an overwhelming victory in the presidential election.

According to the partial results released this afternoon, Mr Rajai had already overtaken the total of 10,700,000 votes the gave Mr Abdolhasan Bani-Sadr the Presidency in January, 1980. Mr Bani-Sadr was deposed last month after a power struggle with the Muslim fundamentalist clerics.

Mr Rajai, a former mathematics teacher, is the candidate of the dominant Islamic Republican Party.

Although there were three other candidates on Friday for the election, the Prime Minister is said to have won 11,820,494 votes, or 90 per cent of the ballots counted.

Final results will not be released until late tomorrow, and Mr Rajai probably will not be sworn in until next weekend.

About 70 people had planned to run for the presidency, or were eliminated after suitability checks by the fundamentalist-dominated Parliament.

The wave of violence, that has shaken the country since the election campaign began, continued today. At least 15 people have been killed since Friday. Eleven of the 13 dead

were revolutionary guards, according to government officials.

A journalist for the English-language daily Kayhan died of wounds he suffered on Friday, and in the northern province of Gilan, the Mayor of Rezvan-shahr and several members of his family were wounded by the two hand grenades, Tehran Radio reported.

Also in Gilan, the province's newly-elected governor, and his deputy, narrowly escaped an assassination attempt last night. Fars news agency said.

More than 200 opponents of the regime have been killed since the Government's crackdown began four weeks ago. On Friday 120 people were arrested in Tehran alone.

Two people accused of "spying for Israel and Zionism" and of having contacts with the regime of the late Shah were executed in Kermanshah, eastern Iran, today Tehran radio said.

Iranian revolutionary guards today seized more than 300 weapons and 40,000 rounds of ammunition in the capital when they raided five centres of the Marxist-Leninist opposition movement Peykar, the news said. Guards also arrested eight people on corruption charges, because

Leading article, page 11

SCHMIDT PLANS CUTS IN BUDGET

From Patricia Clough Bonn, July 26

Helmut Schmidt, the West German Chancellor, today insisted on a "stable" Government spending as leaders of the Social Democratic Party (SPD) met to put the finishing touches to their savings strategy for the crucial 1982 budget.

The meeting, to be followed by talks with trade union leaders, was the last in a series of separate discussions by the SPD and their Free Democratic coalition partners in preparation for the current budget negotiations, which begin tomorrow.

Wealthy West Germany is being forced to cut back hard after a combination of increasing public spending, oil price rises and the current high American interest rates has brought state indebtedness to an alarming level.

The two parties are agreed that some DM 20,000 (£4,000m) According to the few leaks about the closely guarded plans, Herr Hans-Joachim Lauth, Finance Minister, proposes to save some DM 10,000 by cuts in social benefits, despite strong opposition within his party to any cuts in the social sector.

At the same time, he is said to be planning tax relief for industries in order to encourage investment.

Dark days after Zia's death

Bangladesh seeks new leader

From Trevor Fishlock, Dacca, July 26

The mood in Bangladesh, these days, is one of anxiety and pessimism. Rudderless without the dynamic President Zia-ur-Rahman, the country moves uneasily towards the autumn presidential election, crucible of its democratic aspirations. The Army waits in the wings to see if the politicians falter.

It is assumed that Mr Abdus Sattar, the Acting President, will win. Bangladeshis are looking beyond that event to the important matter of who will be the Vice-President and eventual ruler.

Mr Sattar plays a bridling role. A few hours after President Zia was murdered on May 30, he was taken from his Dacca hospital bed and sworn in as Acting President. President Zia's civilian framework held.

Had Mr Sattar been younger and fitter he would have been a good replacement. He is energetic and frail and there are doubts about his ability to complete a five-year term.

He said last month that he was too ill to run for the presidency, but the Bangladesh National Party (BNP), created as President Zia's political vehicle and seed-bed to grow democracy, had no choice but to nominate him. He is the only figure neutral enough to be acceptable to the majority of people.

BNP, which has two thirds of the National Assembly seats, is a coalition whose factions were kept united by President Zia's firmness and whose long-term unity is now open to question.

No one wants the Army back in power and BNP members are not pushing factional ambitions too hard. United by self-interest they do not want to risk splitting the party and letting in the soldiers. The nomination of Mr Sattar had the approval of Lieutenant-General H M Ershad, the Army Chief, who, like many senior officers, prefers to see civilian rule maintained.

The method by which the Vice-President will be selected has not been decided. Under the constitution he should be appointed but as part of a deal to keep the politicians happy, the Government may agree to an election by Parliament, or the BNP.

One possible candidate is Mr Shah Aziz-ur-Rahman, the Prime Minister. He is 54, a lawyer and a skilful politician who is seen as the power behind Mr Sattar. He seems to get on well with leading soldiers, but he is not popular.

His rough manner upsets people and he is reckoned to lack the broad personality that makes a good president. In any case, opposition to him is strong enough to cause a split in the BNP.

A man like Dr Mirza Nurul Huda, a former finance minister, might make a good, uncontroversial candidate. With General Ershad, he is one of the group of people helping Mr Sattar to govern, but he is no politician and has no political base.

The same is true of Dr Budruzza Chowdhury, general secretary of the BNP, who was with the President's party on the day of the murder. He shared many of the President's ideas and General Zia, who brought him into politics, may have had him in mind as a possible successor.

Rivalry between Dr Chowdhury and Mr Shah Aziz is a possible source of a split in the party.

In setting the election date for September 21, the ruling party seems to the Opposition to betray a lack of confidence in itself, a reluctance to enter a completely open election.

Opposition parties have united to demand that the election be held in November, arguing that the country will not be flooded by monsoon rains in September—it will be difficult to campaign and difficult for people to obey the Government's exhortation to vote.

The Opposition wants the election moved as one of their conditions for participation. They also want the lifting of the state of emergency (under which the Government has not so far acted) and equal access to newspapers and television.

The Government feels that the sooner the election is held the better. Mr Sattar cannot campaign and the party wants voting to take place while the leadership and death of the President are still strong in the public memory.

If the election date is changed, as it might be, opposition parties (there are 55 registered) still have to decide whether to put up candidates.

The Awami League, Sheikh Mujib's vehicle, is under pressure from party workers who are dismayed by the prospect of their party boycotting this election, as it did last time. The league is split into pro- and anti-Moscow factions and would need a candidate acceptable to both.

TUC wants to stop police disclosing convictions

By Our Labour Correspondent

The TUC is to bring pressure on Mr William Whitelaw, the Home Secretary, to withdraw the standing instruction to the police to inform civil servants and Post Office and Atomic Energy Authority employers of the criminal convictions of their employees.

At the prompting of the largest Civil Service union, the Civil and Public Services Association, the TUC is writing to Mr Whitelaw seeking a review of the 1973 Home Office instruction, which requires the police to give such details "in the interests of security".

Union leaders want the instruction, issued by Mr Robert Carr (now Lord Carr of Hadley) when Home Secretary to be relaxed at least so as to

cover only employees in security-sensitive jobs.

The instruction, drawn up after recommendations by a working party of government officials and chief officers of police, requires employers to be informed of offences.

The instruction also covers other categories of workers, including doctors, nurses, those employed in the care of children and youth leaders.

In a letter to the TUC Mr Kenneth Thomas, general secretary of the Civil and Public Services Association, said that the instruction as it affected civil servants and Post Office staff was "clearly discriminatory in the way it treats public sector workers".

New rules on benefits 'baffling'

By Our Social Services Correspondent

Government claims that the reformed supplementary benefit system would be simpler are contested today by Lord Scarman in a foreword to the new edition of the Penguin Guide to Supplementary Benefits.

At the same time, the guide's author accuses the Government of failing to honour its commitment to inform claimants of their new rights.

Lord Scarman points out that the reformed system introduced last November replaced the discretion of the old system with detailed obligations imposed by regulations.

"A high price has to be paid for converting discretion into legal rules: it is the price of complexity."

Mr Anthony Lynes, author of the guide and visiting research associate to the law department of the London School of Economics, in a letter to Mr Patrick Jenkin, Secretary of State for Social Services, says claimants are compelled to seek information from whatever unofficial sources they can find.

The only official publication giving the full text of the new regulations has more than doubled in price since last November to £26.50 because of repeated amendments to the regulations. New amendments coming into force today will bring the price to over £30. The Penguin Guide to Supplementary Benefits, by Tony Lynes, £2.50.

Inquiry plea by nuclear objectors

An unlikely alliance of political activists and conservation groups has been formed in an effort to force the Government to widen the terms of next year's public inquiry into the plan to build a new nuclear reactor at the east Suffolk village of Sizewell.

Eight organizations concerned, including several whose briefs are normally outside the nuclear power field, are writing today to Mr David Howell, Secretary of State for Energy, to press for "specific conditions on the scope and conduct of the inquiry".

Their five-point proposals reflect a widespread feeling among conservationists that the Sizewell project is a turning point in the Government's attitude on environmental issues.

The first of the proposals in the letter to Mr Howell is that the scope of the inquiry should be as wide as possible. The authors take Mr Howell to task for his Commons statement announcing the public inquiry, which appeared to conflict with his assurance to the committee that the Government would not consider nuclear alternatives.

The letter is signed on behalf of the East Anglia Alliance against Nuclear Power, the Campaign for Nuclear Disarmament, the Friends of the Earth, Greenpeace, the Political Ecology Research Group, Suffolk Preservation Society and the Town and Country Planning Organization.

Unholy row knocks out unrepentant St John's

From Our Correspondent, Nottingham

Feelings were far from saintly when an unholy dispute broke out at an inter-churches football match between worshippers from St Peter and St Paul's, St Mary's, and St John's Anglican congregations. Spectators were stunned by what they saw and heard during fiery exchanges between the mixed teams at Hucknall, Nottinghamshire, when competitors, casting aside Christian brotherhood, shouted and argued with each other during angry scenes in the five-a-side football.

After being warned about their conduct over the loudspeaker, St John's stormed off.

Their vicar, the Rev Graham Herritt, who admits challenging the referee, supports their action.

One of the organizers said yesterday: "The trouble was that St John's kept challenging referees' decisions until bad feeling crept into the competition. They spoilt the day for everyone."

That is denied by Mr Herritt, a former football referee. My parishioners merely showed a combative spirit, which, I think, is good for such an event. It was never our intention to spoil it and it is quite wrong to blame us for what happened," he said.

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NEW HEART MAN BACK AT WORK

Mr Derrick Morris, the longest surviving patient who has received a heart transplant at Harefield Hospital, Hillingdon, London, is no return to work today, the first time for two years.

"It is great. I really thought a 40-hour week was a thing of the past for me," he said. Mr Morris, aged 50, is a supervisor at Swansea Docks. He was given a new heart in February last year.

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Australian winter worsened by strikes

From Douglas Aiton
Melbourne, July 26

Australia has suddenly been hit by a blizzard of strikes which put doubt on the attendance of Mr Malcolm Fraser, the Prime Minister, at the royal wedding make winter seem bleak.

Because of a strike by transport drivers perishable foods are in extremely short supply. The Transport Workers Union has allowed the delivery of milk, which at first was running out, but supermarket shelves are emptying.

Airline services could be disrupted tomorrow because of a refuellers' strike, and bans by workers at Telecom, the government-owned communications service, are threatening to disrupt telephone services again as they did last month, and even the telecast of the royal wedding is threatened.

Furthermore, because of a sympathy strike by tanker drivers, petrol is in short supply and rationing has been imposed in Victoria.

Canberra: Two of the disputes may be near settlement after the federal Government and the trade union leaders reached compromise in emergency talks here (Reuters reports).

Mr Clifford Dolan, president of the Australian Council of Trade Unions, said he would recommend an end to the strikes by tanker drivers and telecommunications clerks, and the Prime Minister agreed to drop moves to de-register the Transport Workers Union.

Anarchy reigns in New Zealand after halt to match

From David Ellis, Hamilton, New Zealand, July 26

A Second World War pilot in a stolen aircraft forced the cancellation of yesterday's Springboks rugby game because of fears that he was about to take a suicide dive at the packed grandstand.

The man, who called himself Mr Ellis, was only four minutes flying time from the ground when spectators were told the game had been cancelled.

The incident reached its climax a few seconds later when a small aircraft was seen flying over the stadium.

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Harsh reception in store for refugees

From Neil Kelly, Bangkok, July 26

Thailand has begun a radio campaign to deter boat refugees from leaving Vietnam. Broadcasts from Radio Free Asia, the special Thai station directed at Indo-China, are warning the Vietnamese that refugees arriving on the Thai coast after August 15 will be admitted only to a detention centre on a remote island and will be barred from resettlement in third countries.

The Thai Government is also issuing statements about its tough new policy to the BBC, Radio Australia and the Voice of America, whose broadcasts they blame for encouraging the Vietnamese to flee their homeland.

An officer of the Thai supreme command said the ban on resettlement of new refugees would last several years.

He said Vietnamese arriving after August 15 would be detained on an island in conditions harsher than those in existing mainland camps. Two camps where Vietnamese are now accommodated would close soon.

Representatives of the United Nations High Commissioner for Refugees are now seeking details of this tougher regime. UNHCR officials privately cast doubt on Thai threats to exclude refugees from resettlement.

In another show of impatience with the refugee problem the Thai authorities have asked the International Committee of the Red Cross to make new approaches to the Hanoi Government about the repatriation of tens of thousands of long-term Vietnamese refugees.

Some came to Thailand in the final stages of the Second World War and others towards the end of the French war in Vietnam in 1954.

Thailand has always insisted that all of them must go home, although many were born in Thailand and have a Thai parent or even grandparent. The two governments have not discussed the issue since December, 1978, when Vietnam agreed to take only 3,000, although nothing came of that offer.

Thai troops are to launch operations against communist strongholds in southern Surat Thani province after insurgents blew up a railway bridge on Thursday night, cutting Bangkok's rail link with southern Thailand for 18 hours (AFP reports).

Guatemala City.—Government security forces killed eight leftist guerrillas, including two women, in a three-hour shootout in the Guatemalan capital, witnesses and a government official said.

Budapest.—Mr Janos Kadar, the Hungarian party leader, left here by air for the Soviet Union and a short holiday at the invitation of the Soviet Communist Party, Hungarian radio announced.

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Lagos court overrules politicians' expulsion

From Karan Thapar
Lagos, July 26

A Lagos high court has ruled against the expulsion of the Governor of Kano state and the recently impeached Governor of Kaduna state from the People's Redemption Party (PRP) of Nigeria.

In his ruling, Mr Justice Akibola-Savage, declared that the expulsion was against the constitution of the party. Only the party's national convention had the authority to take such action, the judge pointed out.

Therefore he overruled the expulsion of Alhaji Abubakar Rimi, the Governor of Kano, and of Alhaji Balarabe Musa, the former Kaduna Governor, by the PRP's national convention in August, 1980.

In his response to the court's ruling, Mr Sam Ikoku, the national secretary-general of the PRP, said that the verdict was "a useless academic exercise that left things very much as they were."

Arguing that the two politicians were still expelled, Mr Ikoku said that a PRP national convention held in December, 1980, had approved their expulsion.

Mr Ikoku further claimed that the two politicians had "won the battle in legal niceties (but) they have succeeded in imprisoning themselves politically."

After their expulsion from the PRP last August, the two politicians set up their own "true" rival People's Redemption Party.

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Protests in West Berlin at treatment of Tamils

From Patricia Clough, Bonn, July 26

West Berlin organisations are protesting at the police treatment of hundreds of Tamils from Sri Lanka, who have come to the city with visions of streets paved with gold and now a serious headache for the overburdened city authorities.

Some 1,000 Tamils have come on cheap Soviet Aeroflot flights from Sri Lanka to West Berlin from Moscow to East Berlin from where they pass without border checks into West Berlin.

They appear to be the victims of unscrupulous racketeers who promise them jobs they cannot get at home, good pay, and political stability. Many sold all their jewelry and possessions to scrape together the money for a one-way ticket. Some say they come to escape persecution by the Buddhist majority in Sri Lanka.

They do not know that unless they can get political asylum they are not allowed to work here, that West Berlin is already full of foreigners who are a heavy burden on its subsidised economy, or even that West Berlin is not in West Germany.

Last week 125 were flown back to Colombo after voluntarily agreeing to return. About

50 were promptly arrested despite assurances that they would not be persecuted at home.

West German journalists who accompanied them reported that the Colombo police stopped a press conference with the West German ambassador and a promised press conference with Mr Shabul Hameed, the Foreign Minister, was cancelled. The journalists were told to leave Sri Lanka as soon as possible.

It has since been reported that all have been released except for six suspected of forging their passports.

Meanwhile West Berlin police have detained another 140 Tamils for possible deportation on the grounds that they did not have the necessary entry visas.

The opposition parties have accused the police of deliberately detaining the Tamils before they could have a chance to ask for asylum and of failing to inform them of their rights. They have demanded full information about the circumstances in which the others returned.

The West Berlin Senate is to decide on the future of the 140 on Tuesday.

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Amin troops freed in Uganda

From Charles Harrison
Nairobi, July 26

A total of 1,420 former Ugandan soldiers, who surrendered when President Idi Amin was ousted more than two years ago, were freed from Luzira prison, near Kampala, yesterday. Another 1,600 prisoners, most of them former soldiers, have still to be freed under an order announced by President Obote in May.

Release of the prisoners will solve some of the problems of overcrowding in Uganda's prisons. The main jail at Luzira, overlooking Lake Victoria, has frequently been short of food and water for its 5,000 prisoners, held in accommodation designed for fewer than half that number.

None of those now released has been charged, but the Ugandan authorities have been reluctant to free men who served in the Amin forces, fearing that they would increase the country's already serious internal security problems.

The Vice-President, Paulo Mwangi, addressed the men at the prison and urged them to forget the past and work for the reconstruction of Uganda. He cautioned them against joining the bandits now carrying out guerrilla attacks.

Mr Bob Astels, aged 60, from Ashford, Kent, who is the only white man in Luzira prison, was not among those released. He has been held for more than two years, at times reduced to eating rats when prison rations ran short.

He denies charges of murder and robbery, allegedly committed when he was head of an anti-corruption squad for Amin.

A Kampala magistrate recently committed him to the Ugandan High Court for trial, after receiving a summary of the state evidence. If found guilty, he will be liable to a sentence of death by hanging.

RUSSIANS JAILED OVER BRIBES

Moscow.—Two Soviet agricultural officials have been jailed for taking bribes to falsify the quality of sub-standard wool procured for state factories, a Russian newspaper reported.

Mikhail Gorelov, was sentenced to 12 years in prison and confiscation of his property. A man identified as Voronov got a 10-year term and accomplices received various punishments.—AP.

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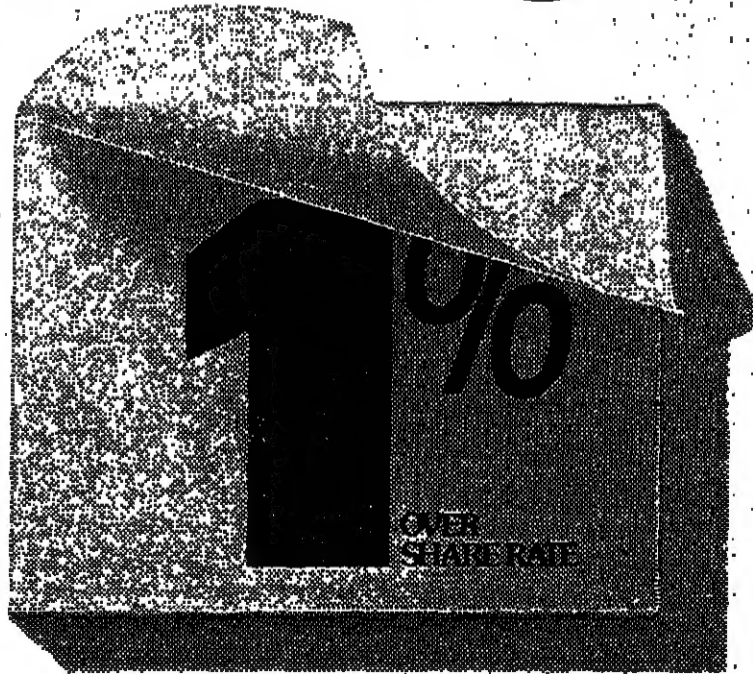
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Polish unions reject plan for higher food prices

Warsaw, July 26—Solidarity, Poland's independent trade union, today rejected the Government's proposed 200 to 400 per cent food price rises, adding a new ingredient to an already simmering union-Government debate over how to ease Poland's food crisis.

Solidarity has already threatened to use all means, strikes included, to reverse a Government-proposed 20 per cent cut in meat rations next month necessitated by short supplies.

Union and Government negotiators planned to meet tomorrow to discuss food distribution problems and a proposed cut in the 3.5 kilograms (7.7lb) monthly meat ration a person.

A Solidarity spokesman said the union might accept the cut if it were limited to August only, but added that "if it goes on much longer, then we will have to make a decision."

Chronic meat shortages have worsened since the labour unrests triggered by last summer's price rises led to the formation of Solidarity. Since then, sugar rations have been cut and food appears to be in ever shorter supply.

The shortages led in the first organized "hunger march" in Poland yesterday in which more than 1,000 people marched through the town of Kutno to dramatize their plight.

The protest there, and others in Torun and Szczecin, will be repeated this week by bus drivers, women and children in Lodz, Poland's second largest city.

In yesterday's hunger march, men, women and children of all ages, some waving empty pans, paraded with banners saying "We are hungry," "We want a

Walesa's reply to Premier

Strike weapon essential, Solidarity leader says

From Denis Taylor, Gdansk, July 26

Mr Lech Walesa, the leader of Solidarity, said in an interview here last night that the Polish independent trade union organisation must have the strike weapon. "I personally and the union would not want to use it, but we can't be without it," he said.

He was commenting on the speech by General Wojciech Jaruzelski, the Prime Minister, at the recent extraordinary ninth Communist Party congress. General Jaruzelski strongly criticized strikes and gave a warning that there were limits to what the government was prepared to tolerate.

The authorities have been blaming the Polish economic crisis on Solidarity, and the independent trade union organisation in turn has argued that the basic cause of Poland's massive problems is mismanagement.

But Mr Walesa said last night that Solidarity and the government should work together to find a way out of the crisis. The movement was talking about solving the crisis "not as trade unionists but as citizens of Poland."

Sudden announcements of severe price increases in the past have caused mass unrest among Polish workers. Mr Walesa pointed out that raising prices was one aim of the Government's new economic programme. "But this would be one of the latest stages of the economic reforms, and should be discussed at the end. First, society has to be confident that the programme is acceptable and then price rises can be discussed," he said.

When I asked him if he saw self-management as a source of conflict between Solidarity and the Government, he said: "In the beginning it will be a problem, but I hope we will come to terms. First, we have to organize ourselves and start self-management within plants and the Government will have to start to make changes and to cooperate with us because it (self-management) will be an accomplished fact."

The authorities are nervous about any extensive self-management in Poland, portraying it as a threat to centralized planning and to fundamental tenets of socialism. Solidarity's argument is that the workers in a particular enterprise should be able to select their own management, and the independent union organization advocates this new practice as a way to pull the country out of its present formidable, and difficult, deteriorating economic situation.

Mr Walesa spoke fairly optimistically about the ultimate prospects for the economy. "We

Mr Walesa: "Every chance of overcoming the crisis"

have every chance of overcoming the crisis," he said. Asked how he saw the situation in the country 11 months after the strike in the Lenin shipyard here which catapulted him into international fame, he replied: "The situation is even better than we expected, but there is still a long way to go."

On the question of whether he still had thoughts of withdrawing from his present role, as he had sometimes suggested in the past, he said: "I am extremely tired, but nothing will break me down."

Mr Walesa took a moderate line on two of the issues now exercising Solidarity: freedom of choice to join a trade union and censorship. He was not yet worried about Government attempts to restrict independent trade union activity.

On censorship, he said: "We must be responsible... but there should not be censorship of Solidarity at all, and there should not be such strict censorship as now exists in Poland." Asked if he foresaw strikes against censorship, he replied: "In this country everything is possible, but I hope we can find a way out of this problem."

Mr Janusz Onieszko, a spokesman for Solidarity, yesterday said the union organisation must reject a new censorship Bill which departed too far from "a very hard compromise" between Solidarity and the Government.

Speaking outside the private meeting of the Solidarity national coordinating committee in Gdansk, he said Solidarity demanded that its internal publications should be free from censorship, that everyone should be able to bring a single copy of any book into the country.

try branches until the end of the year.

But wage demands have not been a key issue during recent strikes as workers strive for improved benefits, better working conditions or more say in how their work places are managed.

The issue of worker self-management set off at least one protest. Employees of Lot, the national airline, threatened to strike last Friday over the Government's rejection of their elected candidate for the post of director. The dispute was resolved by an apparent compromise.

Solidarity said today, however, that it did not believe a Government programme of worker self-management was authentic. A union spokesman added that Solidarity felt such a concept could only work if self-management bodies at factories were independent of union and Government control.

"It should be completely independent and not steered by any organization in the factories," the spokesman said.

Mr Lech Walesa, the Solidarity leader, is suffering from extreme exhaustion and announced today that he intended to take a week's rest. He told reporters of his intention at a news conference in Gdansk.

Sources close to Mr Walesa said that he had been advised by doctors to spend several days in bed, although the sources added, there was no immediate question of his going into hospital.

Meanwhile, Western observers here said that the week-long floods in Poland's Polish areas did not appear to threaten this year's harvest.

—AP and AFP.

Reagan says CIA chief is decent man

From Nicholas Hirst

Washington, July 26—President Reagan, continuing to back Mr William Casey as director of the Central Intelligence Agency, despite calls for his resignation from leading Republicans.

But since Friday, when the first influential Congressmen were heard on Capitol Hill suggesting that Mr Casey should resign, White House officials have acknowledged that there appear to be such deep-rooted objections to his continuing in his post that he might have to go.

His problems are twofold. He suffered the resignation of Mr Max Baucus, his controversial appointee as head of the CIA's covert activities, after allegations of improper business practices and Mr Casey himself is the subject of court proceedings over his own business dealings.

Mr David Gergen, a spokesman for the White House, said yesterday: "The President believes Mr Casey is a good and decent man who has served his country well. He also believes that Mr Casey is doing a fine job at the CIA. In the light of that background the President is standing firmly behind Mr Casey."

Mr Casey's position was further imperilled when Senator Barry Goldwater, the chairman of the Senate Intelligence Committee, said the mistake in appointing Mr Baucus was sufficient either for Mr Casey to resign or for the President to ask him to do so.

But Mr Casey's friends have been rallying round. Senator Paul Laxalt, of Nevada, has publicly expressed his support. Mr Stanley Rorkin, CIA general counsel and former defence chief of the Securities Exchange Commission, and Mr Leonard Marks, the former director of the United States Information Service, have praised Mr Casey's character.

White House officials said that objections of various members of the Senate Intelligence Committee are of a "personal" nature.

Should he resign the blow to the political standing of Mr Reagan would be considerable.

FBI finds no evidence of assassination plot

Washington, July 26—The Federal Bureau of Investigation has found no evidence of a conspiracy behind the attempted assassination of President Reagan in March.

Mr Webster said the FBI had given the Justice Department a 1,500-page report after a four-month investigation of the shooting in which the President and three others were wounded.

A federal grand jury is studying the report and will decide in a few days whether it has enough evidence formally to charge the assassin, John Hinckley, with the shooting.

Mr Hinckley, the 25-year-old son of a wealthy oil company executive, has been under close guard at a prison in North Carolina. He has been having extensive psychiatric tests by government doctors.

Mr Webster said the FBI investigation included inquiries into Mr Hinckley's movements before the shooting.

"While you cannot ever eliminate the possibility that there were other people who knew about the defendant's plans or aided them in some way, we have no such evidence involving other persons, willing or unwilling," Mr Webster said in an interview.

"We have evidence with respect to motivation which does not support a conspiratorial theory," he said.

The FBI chief declined to

TV appeal by President on tax cuts plan

From Frank Vogt, U.S. Economics Correspondent

Washington, July 26—President Reagan will appeal for public support tomorrow night in a television address for his plan to make numerous cuts in taxation, including one of 25 per cent over the next 33 months in individual income taxes.

For months now it has been clear that the majority of Democratic Party members of Congress oppose the White House tax plan, but now the battle between the Republicans and the Democrats is moving towards a climax. Mr Reagan is using every tool of presidential power in this, his biggest contest so far with the Democrats, who hold the majority of the votes in the House of Representatives.

Complex alternative tax Bills are now being weighed on Capitol Hill. The Senate has been debating more than 100 separate amendments to its tax Bill for the last nine days. But no aspect of the Bills is more important and controversial than that concerned with individual tax cuts.

The White House asserts that the tax Bill must be out of Congress and ready for the President to sign into law before Congress goes into recess in early August. This is seen as necessary to ensure that the Internal Revenue Service has sufficient time to change tax tables so that individual income tax cuts go into effect by October 1, and so provide the economy with sufficient stimulus this year to lift it out of the current recession.

The administrative tasks alone are huge to rush a Bill as complicated as the current tax measure through the Congress on time. An essential first requirement is swift action on the floor of the House of Representatives, and the debate on the floor will start this week. The Democrats will propose their own Bill, but President Reagan wants to offer a Republican alternative and he is striving, as he did earlier on public spending legislation, to win conservative Democrats to his side.

His task is more difficult than it was on the spending Bill, as many conservative Democrats feel uncomfortable about any tax cuts at this time, as they view such cuts as adding to the United States budget deficit.

To soften opposition among conservative Democrats the President has agreed in the last few days to make all sorts of compromises. He has agreed to oil company tax cuts, which go well with many of the Democrats from southern oil-producing states.

The President will follow up tomorrow night's speech with what the White House is claiming will be a major luncheon address in Atlanta, Georgia, on Wednesday. The White House is from spending \$500,000 (\$250,000 on radio advertising).

Many Democrats feel that tax cuts provide too many benefits for the rich and not enough for middle- and lower-income earners. The Democrats will propose a Bill this week that calls for just 15 per cent tax cuts for two years, that are heavily slanted towards lower income earners.

This Bill contains a clause allowing tax cuts in a third year only if the economy by 1983 is as healthy as the White House now forecasting.

President Reagan wants a 5 per cent income tax cut in October, then a 10 per cent cut next July and a further 10 per cent cut in July 1983. He claims that due to inflation and rising tax rates, the average family will pay 22 per cent over the next three years.

He claims that the Democrats' plan of just a 15 per cent cut really means that all Americans are going to see their tax bills rise.

Then the President asserts that the trigger approach of the Democrats, as far as the third year of income tax cuts is concerned, amounts to "holding the reduction hostage to future economic events."

discuss the motive for the attempted assassination. But law enforcement officials soon after the shooting cited Mr Hinckley's interaction with a woman, Jodie Foster, as a likely motive.

They said letters from Mr Hinckley to Miss Foster suggested he would try to impress her by killing the President.

Mr Hinckley had been under psychiatric care from time to time, officials said. At a preliminary hearing, a government expert said after initial examination that Mr Hinckley was mentally fit to stand trial.

But a judge ordered further and more complete tests after defence lawyers demanded that Mr Hinckley have access to Mr Hinckley's records. The results to be submitted to the court by August 1.

The New York Times, quoting doctors and lawyers familiar with the case, reported last week that government experts had concluded that Mr Hinckley was competent to stand trial.

According to legal experts, a person is not responsible for a crime if a court determines that at the time of the offence, as a result of a mental problem, he lacked "substantial capacity to appreciate the wrongfulness of his actions or to conform his conduct to the requirements of the law."

The White House has said President Reagan has made a complete recovery since being shot in the chest outside a Washington hotel on March 30.



Members of the Women's March for Peace enact a mock air-raid in Brussels, with the group sprawling out as if dead.

Hard going for Begin in coalition negotiations

From Moshe Brilliant

Tel Aviv, July 26—With the Lebanese situation calmer and Mr Philip Habib, President Reagan's special envoy, back in Washington, the Israeli Cabinet's weekly meeting in Jerusalem was cancelled today to allow more time for coalition talks.

It is, however, proving unexpectedly difficult to get agreement for a coalition government. Mr Menachem Begin, the Prime Minister, wants to be able to present his new Government to Parliament on Thursday.

A committee of his exasperated Likud colleagues has been negotiating with a National Religious Party delegation, which had put forward a 120-item list of social, economic, educational, religious and other demands.

The talks were adjourned until tomorrow and Dr Josef Burg, the National Religious Party leader, said Mr Begin's goal of presenting his new Government on Thursday was unrealistic.

A spokesman from the ultra-orthodox Agudat Israel Party said today his group had agreed on its negotiations with Mr Begin, but the deal would require the approval of the venerable Council of Torah Sages which would meet on Wednesday.

Tami Parry said his ideological demands had already been met, but there were personal problems to be settled this week in a meeting between Mr Begin and Mr Abba Eban, the Minister for Religious Affairs in the outgoing Government.

A Tami source said Mr Abba Eban was no longer insisting on retaining the religious affairs portfolio in the new government, but the party objected to the post going to Dr Burg.

Mr Abba Eban was given the office in the last administration as a deputy of the National Religious Party, but before the election and formed Tami, an ethnic group representing North African immigrants.

The source said it was feared Dr Burg might, as a spokesman, be seen as a puppet of the Ministry.

The Prime Minister is said to be in a hurry to resolve the issue and form a new Government because he is due to hold important talks with President Sadat of Egypt in Alexandria next month, and with President Reagan in Washington early in September.

Mr Begin would like to meet them as leader of a Government representing a parliamentary majority, rather than as a caretaker Prime Minister.

Mr Begin's 21-day mandate from President Navon expires on August 5, but he is entitled to seek another 21-day extension. However, he has said he would not ask for an extension if he failed to form a government by the first deadline.

In that case, Mr Navon might alter the mandate to Mr Shimon Peres, the Labour leader, who would thus be trying to form a new government in Jerusalem, while Mr Begin represented his country in Egypt and the United States.

Participants in the current coalition talks have predicted an agreement will be concluded by next week.

Lebanon ceasefire said to cover Christian-held area

From Our Own Correspondent, Washington, July 26

Mr Yassir Arafat, head of the Palestine Liberation Organization (PLO), and Mr Ephraim Euron, Israeli Ambassador to the United States, both said today that the area controlled by Christian militia forces in Lebanon was included within the ceasefire agreement announced on Friday.

It is this area, straddling the Lebanese-Israeli border, which has seen most of the sporadic shelling since the ceasefire started. It is controlled by militia not directly under Israeli command and is the most likely flashpoint for violence.

It had been thought that violence in this area might be considered outside the terms of the ceasefire which referred to a cessation of hostilities across the Lebanese border.

Mr Arafat said today on American television that he had insisted on three conditions in agreeing with the United Nations representatives to a ceasefire.

These were that all raids had to be stopped against Palestinian and Lebanese civilians, that raids by the Christian militia had to stop, and that the militia must not attack United Nations peacekeeping forces.

Interviewed on another American television programme, the Israeli Ambassador said there could be no dispute the area was included within the ceasefire. Israel would hold the Lebanese Government responsible for any violation of the ceasefire. "If the agreement is

violated it cuts both ways," he said, "but we all hope it will be honoured by all sides."

It was not clear from either of the interviews what either side would consider to be such a violation that they would need to retaliate in force. Mr Arafat, however, did make it clear that, as he considered Israel to be an occupying power in his homeland, guerrilla attacks on the West Bank and the Gaza Strip were not included in the agreement.

The refusal of Major Ahmad Jibril's Popular Front for the Liberation of Palestine (General Command) to observe the ceasefire with Israel illustrates Mr Arafat's difficulties in trying to control an umbrella organisation such as the PLO (Richard Owen writes).

The original PFLP, led by Mr George Habash, was founded in 1966 with the aim of world revolution, and forged links with international terrorism. Two years later, however, the Popular Front for the Liberation of Palestine (General Command) was founded by Major Jibril. It was more concerned with military tactics than the main PFLP, for which it had broken away.

The splintering process went one stage further in 1976, when the Lebanese civil war caused divisions within the PFLP (GC) itself. The faction headed by Major Jibril welcomed the arrival of Syrian troops in Lebanon.

It is this group which is now breaking PLO discipline.

Troops to remain in Belize

By David Spanier

British troops will remain in Belize after independence "in an appropriate period," it was announced yesterday. The date of independence has been set for September 21.

The present garrison is about 1,600 strong. After the failure to reach agreement with Guatemala on its territorial claims, the negotiations are seen as providing a basis for future cooperation. Britain accepts responsibility to bring Belize to secure independence.

The future size of the garrison and the time it remains will be under continuous review, it was stated in London yesterday, the implication being that, if Guatemala took a friendly line towards the new state, the troops would in due course be withdrawn.

It was also agreed in talks last week between Mr George Price, Premier of Belize, and Mr Nicholas Ridley, Minister of State at the Foreign Office, that certain countries in the region would be invited to participate in arrangements with Britain, designed to repel or deter any attack. The countries are likely to include the United States, Canada and Commonwealth Caribbean countries.

At the same time Britain is to provide military training and assistance to Belize to help in the development and growth of the Belize Defence Force.

Participants in the current coalition talks have predicted an agreement will be concluded by next week.

Hamburg—An oil tanker that ran aground in the Elbe River here leaked 300 tons of crude oil, authorities said.

Nicosia: Cyprus Government

Israel-Iran arms puzzle

Britain asks Moscow for details of plane crash

By Our Diplomatic Correspondent

The British embassy in Moscow has asked the Soviet authorities for confirmation of reports that a British plane was on a stopover point three times this month by an Argentine cargo aircraft flying from Tel Aviv to Tehran (Alex Efron writes).

But the spokesman, Mr Kypros Pissides, said the Government could neither confirm nor deny press reports claiming this aircraft had been ferrying military supplies.

Mr Pissides said a search of stopped at Larnaca for the first time on July 11, when it reported it was carrying a cargo of 6,750 kilograms of pipes. On two subsequent occasions, July 13 and 14, it reported that it was flying empty.

That the aircraft was carrying out regular flights between Israel and Iran was apparently not considered suspicious by the Cyprus Government, even though Iran has no diplomatic relations with Israel, and is an avowed supporter of the Palestine Liberation Organisation.

Mr Pissides said a search of a bona fide commercial flight passing through Larnaca was carried out only in cases where there was definite information its cargo report was false, or some other suspicious reason.

Otherwise the report by this captain of an internationally recognized airline was accepted as correct, he said.

The report that the Argentine aircraft was on a gun-running shuttle between Israel and Iran was reported last Friday by the English language newspaper The Cyprus Weekly.

IN BRIEF

British warship in collision

The British guided missile destroyer Glasgow was involved in a minor collision with a Soviet cruiser Admiral Isakov while operating in the Barents Sea in May, it was disclosed yesterday.

The British Ambassador in Moscow has made representations to the Soviet Foreign Ministry, but the diplomatic action is described as "not a protest". The Glasgow's captain reported that the Soviet ship was manoeuvring dangerously.

Clowns shot

San Salvador—The bullet-riddled bodies of 10 men, including two dressed as clowns, were found in a swimming pool in Cotepeque, 32 miles west of here. At least 21 people died in a battle between troops and leftist guerrillas near San Vicente.

Colonels escape

Maputo—Mozambique's Ministry of Security said that two lieutenant-colonels detained for espionage—one of them a member of the Frontline central committee—had escaped from custody.

Indian floods

Delhi—Flooding in Uttar Pradesh worsened as vast areas were covered by river waters after renewed rain. About six million people in the state were believed affected, and the national death toll from floods could surpass 1,500.

Dylan death

Avignon—A 17-year-old Italian girl died instantly when she fell more than 15ft from a grandstand at Bob Dylan's final European concert. A Dutch spectator, who was injured when he touched an electric line climbing a pylon.

Turk released

Ankara—Turkish authorities have released from custody Mr Necmettin Erbakan, the Muslim fundamentalist leader of the National Salvation Party, on trial for trying to establish an Islamic-based state.

Red hot

Moscow—The heatwave that has hit the Soviet Union, causing pear and forest fires and damaging crops, will continue into next month, Pravda said.

Swiss disaster

Aldorf—A week of heavy rain was blamed for the Swiss avalanche that killed six Swiss girl guides on a mountain camping expedition.

Danish strike

Copenhagen—Prospects of an end to the journalists' strike over pay, which has disrupted the Danish press for months, faded when talks between their union and publishers were broken off.

Heart transplant

Houston, Texas—Doctors here transplanted a human heart into the chest of a 36-year-old Dutchman kept alive for three days with a mechanical heart, and said his "physiological status is good."

Soviet charge

Moscow—Admiral Sergei Gorshkov, commander of the Soviet Navy, claimed in Pravda that the United States Navy, using increasingly as a "police force," poses a threat to other countries, while the Russian fleet is strictly defensive.

Flights hit

Madrid—Working-to-rule by pilots of the Spanish national airline, Iberia, delayed domestic and international flights as the pay dispute went into its second day.

Here in Valcros enjoy golf and sun

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«Les Hameaux de Valcros» it is: 67 provincial houses with their own garden, a private swimming-pool; all of that located and hidden in a wonderful park of 1,300 hectares at the Mediterranean.

Sport or quiet entertainment? You can choose to play golf (18 hole golf course at 500 metres) or to discover the Provence. Fresh water or sea water? Private swimming-pool, 3 ha lake or beaches on the Riviera at 5 km.

If golf play is for you as important as sunshine, come and enjoy the life in «Les Hameaux de Valcros».

EXCLUSIVE

Mr. PIETRI, General Manager of the CONSTRUCTA Company (estate agency) will be pleased to show you «Les Hameaux de Valcros». He will be in London at the Mount Royal Hotel, Bryanston street (Tel. 629.80.40) this Monday afternoon of July 27th, to-morrow and the day after to-morrow morning.

Batting from Memory, 1; By Jack Fingleton



Jack Fingleton is a journalist who became a first-class cricketer, and who then combined both roles to become one of the game's outstanding writers and commentators — while continuing a separate career as a political correspondent. These extracts are from his latest book, *Batting from Memory*, published by Collins on Oct 8 at £8.95

My cricketing life from bodyline to Brearley

I could never quite believe that it was all happening to me. Like all boys in the Depression years I worshipped my heroes and dreamed my dreams, but knew that as a son of a Sydney tram driver who had died early, the only possible future was work — if I could get it.

If someone had said to me then, when I was twelve years old, "Fingleton, you'll grow up to work for some of the world's greatest newspapers", I'd have been terrified. If someone had gone on to say, "There will be a season in which you'll top the averages of the Australian eleven", I'd have thought he'd strayed a little close to the flag; but if someone had said, "You'll be a trusted friend of prime ministers", then I would have known the person speaking to me was going round the bend.

Even in my youth they used to say it's not what you know but who you know that counts. I knew nobody, so my expectations weren't high. Maybe it was a matter of reflexes — of grabbing opportunities on those rare occasions when I happened to be in the right place at the right time.

Fascinating celebrities

I became a journalist because I started at the bottom and was prepared to put up with anything in order to stay in there and wait for a handhold on the next rung. I became a first-class cricketer because I worked at it tirelessly. I coped with some success, against bodyline, perhaps because I was too stupid to get out of the way. It wasn't until I'd finished, though, that I realized how I could have been much better.

But all this time things kept happening — people, now legendary, crossed my path; my cricket heroes became my teammates; cricket and journalism took me round the world and into the company of fascinating celebrities. So to say that I have been more than fortunate in the people I have met and the many friends I have made in the cricket and newspaper worlds would not be an exaggeration. So many have helped and trusted me.

One of the best home-spun philosophers I've met in my life was Ben Chifley, once Prime Minister of Australia. The press gallery in Canberra looked forward avidly to Chifley's press conferences; they were animated by his droll sense of humour. On one occasion I remember him saying to us, "You haven't got to be a bloody genius to succeed in life. All you have to do is use the bloody brains God has given you."

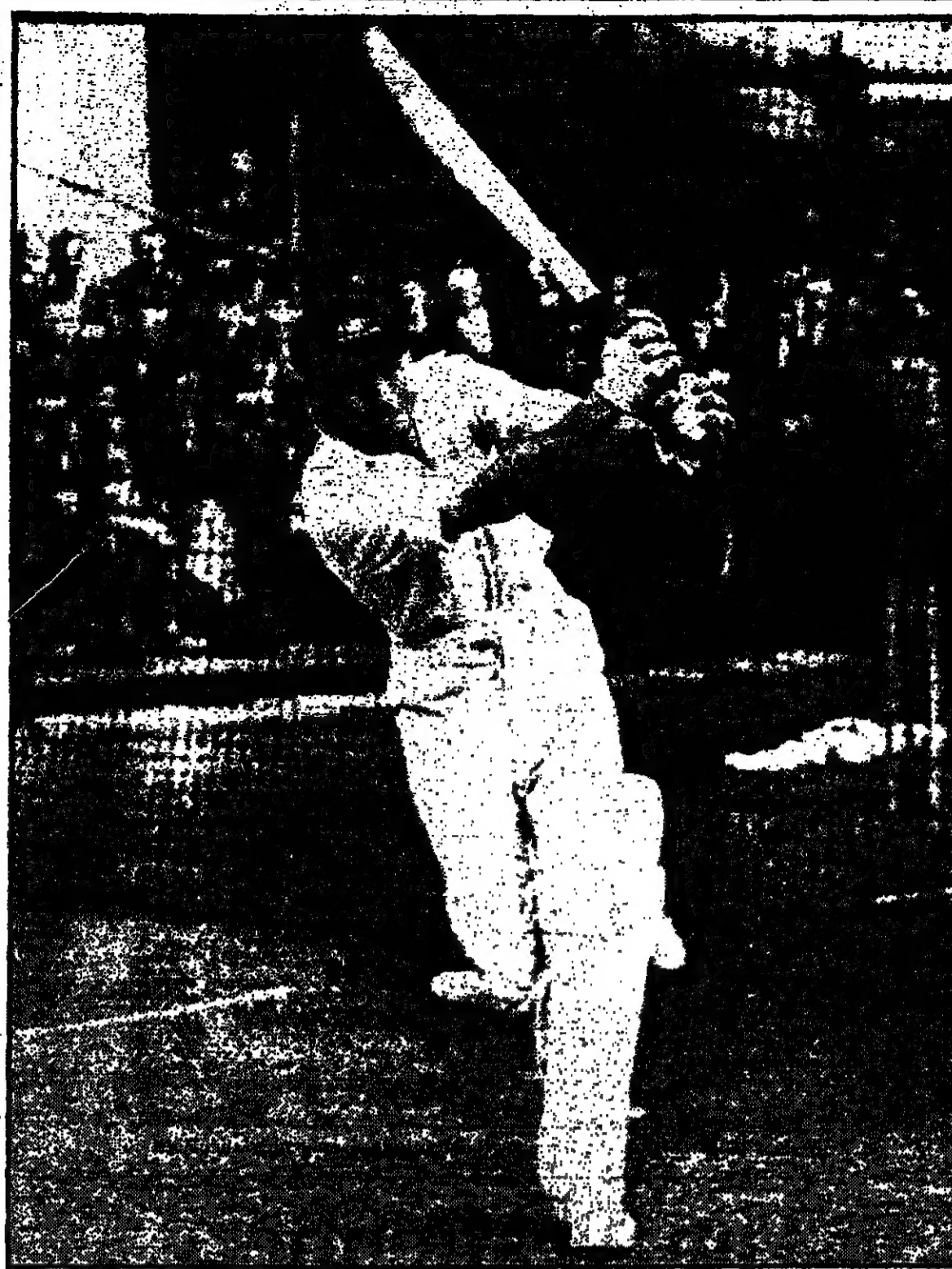
I had an extremely modest upbringing in Waverley, a Sydney suburb. My father's early death left a wonderful mother with six young children to rear and educate. We were often pushed for food. All of us would troop home for lunch from school and it was an event when one of us was given a shilling and sent to Charlie the Chinaman, on the corner of Cowper Street, as it then was, for some mixed fruit.

There was no spare money for

us to buy extras at school. I remember borrowing a shilling from a fellow pupil, Len McWilliam, to buy a textbook. I had no idea how I would repay it and when Len naturally pushed me for his "advance" I was terrified. I didn't know how I would pay and even had visions of prison. I put the case to my mother; the shilling was forthcoming and all was well.

It would be difficult to say who the greatest influences in my life have been; so many have been involved. But my first real break was due entirely to my jovial cousin, Jack O'Brien, who arranged a job for me on the newly started Sydney Daily Guardian, where he worked as a compositor. I was really a glorified office-boy but attached myself to A. E. B. ("Pedlar") Palmer, on the sports desk. When Mr Palmer found I was reliable he gave me more scope and I even had the power to engage casuals at 30 shillings a day to cover various events. Thus I was able to put some money in the way of my cricket club friends, Frank Conway and Jimmy Holm, victims of the Depression. They would bring in details of what they covered and I would knock it into shape.

So I spent some happy years at the Guardian, serving my apprenticeship there; and when Pedlar Palmer moved on I moved too, to the Telegraph Pictorial, where I was made a graded journalist. The Pictorial merged with the Daily Telegraph. That was a time of drastic change in Sydney's newspapers but all the time I was able to play cricket during the week with our newspaper teams. We went to work on the morning papers at 2 pm and worked until about midnight, so we had mornings free for surfing, tennis, golf or cricket. I spent many of them in the company of Jack O'Brien, who was a very capable all-round sportsman. My only worry was whether the night work would



Jack Fingleton: batting at his best

damage my eyesight, but I have been lucky in that.

It was while working in the Guardian that I first came across file copies of the Manchester Guardian and from then on I was an avid reader of "Cricketer" — Neville Cardus. Eventually I plucked up courage to write to him; that was the beginning of a correspondence and friendship which lasted until his death in 1975. He is the cricket writer I have most admired and he it was who always gave me the most encouragement in my own cricket writing.

President Kennedy — fit but doomed

The day came in 1944 when I moved into the press gallery of Parliament House, Canberra, as political correspondent for Radio Australia. John Curtin was then Prime Minister. Robert Menzies, the leader of the Opposition. Later, when Sir Robert was Prime Minister, it was no uncommon thing for Oliver Chidgey, one of his personal staff, to come to my room on the Senate side of the House and say, "The boss wants to know whether you are busy?"

Sir Robert was keen on and interested in cricket and, if there was some controversy in the game, he would often want to discuss it. I wasn't slow, as a journalist, to take advantage of these meetings; I could ask him questions on political happenings of the day; and he invariably told me his views, though more as background, not to be used as coming from him. One of his personal staff once told me Sir Robert had said he trusted me over this; he didn't trust many of any ilk, and particularly not journalists.

Politics and cricket seem to mix even in seemingly unlikely parts of the world. One of the places cricket helped me, was,

unbelievably, the White House in Washington. I had flown from New York to Washington after the England trip and met Pierre Salinger, President Kennedy's press secretary, soon after I arrived. Pierre had obviously enquired about me at the Australian embassy. "I know all about cricket," he told me. I expressed surprise. "Yes," said Pierre, "I used to score for a team in Philadelphia."

He said it was a pity I hadn't come sooner: the President was holding a press interview that afternoon and any visitor had to be vetted for 48 hours security. Still, because of our mutual interest in cricket, Pierre said he would try to get the rule waived.

He did the trick. I was admitted but told I could not ask any questions — details of these had to be submitted first so that the President, who pointed out to which questioner he would answer, knew what to expect. A woman journalist in a big hat kept sniping at the President but he treated her kindly. He stood on a well-lit podium beneath the words "President of the USA", looking magnificently fit, well-tailored, speaking quickly and musically, speaking none of the trappings that seem such a feature of American politics. It was the last television interview he gave.

Politics in Canberra have served me exceedingly well and certainly having played cricket for Australia did me no harm with the politicians. On the day in 1978 when I retired from the press gallery there the Speaker, Sir Billy Snedden, announced the fact to the House from the Chair, drawing attention to my cricket career and wishing me well in semi-retirement on behalf of Parliament.

Members of both sides of the House were kind enough to give a hearty hear-ear: it was the only time in a turbulent day (spent wrangling on privilege) that they showed any unanimity. It was the only time in the history of our Parliament that a press correspondent had been so honoured and favoured. It would have made that twelve-year-old back in Waverley sit up and think.

Waverley Oval was where the young cricketers of our district got early training. The outside park, with its uneven bounce off the turf, and its one decrepit concrete patch that yielded bouncers and shooters, was where we learned our defence. It stood us in good stead when we got on to Waverley Oval itself because it rarely knew a good pitch in the middle there in my time.

Looking back, I am sure the fault was that the various curators never gave the square sufficient water in preparation. Thus it was dusty and powdery, with uneven bounce, somewhat like the Old Trafford pitch in 1956 on which Jim Laker got his harvest of nineteen wickets, although it is to be noted that other spinners didn't do much on that. Alan Kippax and I did get fair runs at Waverley but it was, invariably, a struggle; and the pitch, especially when coming to it after one that was first-class, could run one out of form. Bradman, McCabe, Jackson and the brilliant Sydney rest in our day, all played at Waverley, but I never recall one of them playing a big innings.

A bad habit for big games

The ground, the district club and the district were full of cricket activity. We had a long string of internationals from the early Gregorys, Carter, Kippax and Hendry, the late Jack Gregory and Arthur Mailey in addition to myself, in the thirties. I don't think anybody would claim, Tony Greg or Geoff Boycott as "home" internationals, although both played with Waverley when money and



Fingleton in 1932: low expectations but good reflexes

its attractions were coming into the game.

Every Saturday when we had a home match at Waverley my path from home in Porter Street would lead me across the top of the Waverley reservoir before descending the many concrete steps to the bottom; and on top one had the most glorious panoramic view. Sailing craft dotted the harbour, white beaches stretched endlessly, and by the time I got to the top the big liners that had left at noon for England would be standing well out to sea, coming down the coast with funnels belching. One could visualize the thrilled passengers unpacking in their cabins.

Planes to England are all very well for their quickness, and I have flown there thirteen times, by every possible route. But give me a ship every time, to Tilbury or Southampton, with its atmosphere, enjoyment and languid days in the sun and the entrancing evenings of dance and moonlight when the big liner would gently glide on the placid waters.

The most enjoyable thrill in a cricketer's life went overboard when the big jumbo jets took over from ships. Imagine a fancy dress ball on a planet A team, arriving bearded and unkempt and much the worse for being all night on a plane, has no chance of knitting together in that one night.

I learned one bad habit at Waverley which handicapped me in big games when I batted on pitches that could be trusted. Because of the uncertainties of the Waverley pitch, I allowed my bottom hand to slip down the handle, the better for defence and to counter shooters. Joe Hardstaff of Nottingham was one who I thought held his bat too high on the handle, not having complete control over it; but to let the two hands get apart on the bat handle is one of the worst mistakes in batting.

Mike Brearley has done it all his cricketing life, in addition to not keeping his head and body still as the ball is coming to him, although Derek Randall is the greatest offender I have seen in not keeping his body still. Brearley is a very sensible fellow and I am amazed that he has not worked this out for himself, though admittedly there was much I learned about batting after I had finished with the game. In short, having the hands apart on the handle means they perform different swinging arcs, one pulling against the other. They must begin together, though it is permissible to shift the lower one down for different shots.

One other important point I learned after I had finished playing, and that through golf: it is the importance of the top hand. This is the dominant hand for the drive, which is much freer when the top hand is in control. I should have worked this out for myself.

Kippax, Bradman and McCabe were there constantly in the middle or at the nets to watch and I could have studied and copied any of them. They all played the drive perfectly and, when it is examined, it is the easiest of strokes. All one has to do is judge the ball correctly, putting the left front foot adjacent to the line of flight, swing through with the top hand dominant and the drive is Bob's your uncle, so to speak.

There is one further important aspect. The front foot, as Herbie Taylor, the Springbok theorist, insisted, points side on, not pointing the toe up the pitch. This latter stance turns the shoulder, and the swing in consequence, is not to and through the ball. It also throws the weight of the body back and away from the ball of the front foot, where it should be.

Batting, a side-on science

These are simple rules but they are all-important in the drive and no first-class batsman ever lived who wasn't proficient in the drive. It is the most paying of strokes and the least dangerous, as the full face of the bat is always looking at the ball. It was Don Bradman's best-paying stroke, I suggest, because no bowler likes to be driven and it is then that he drops short.

Batting is a side-on science but when I stress that the hands should act as one in driving, that doesn't mean that the bottom hand should not be moved down for defence, the hook, the pull and the square-cut. Syd Barnes, of Sydney, was the best square-cutter I knew and it was his bottom hand that did most of the work. When he was made into an opener he forsook most of his strokes in front of the wicket, and became very much a back-foot player. That is what opening can do to a batsman.

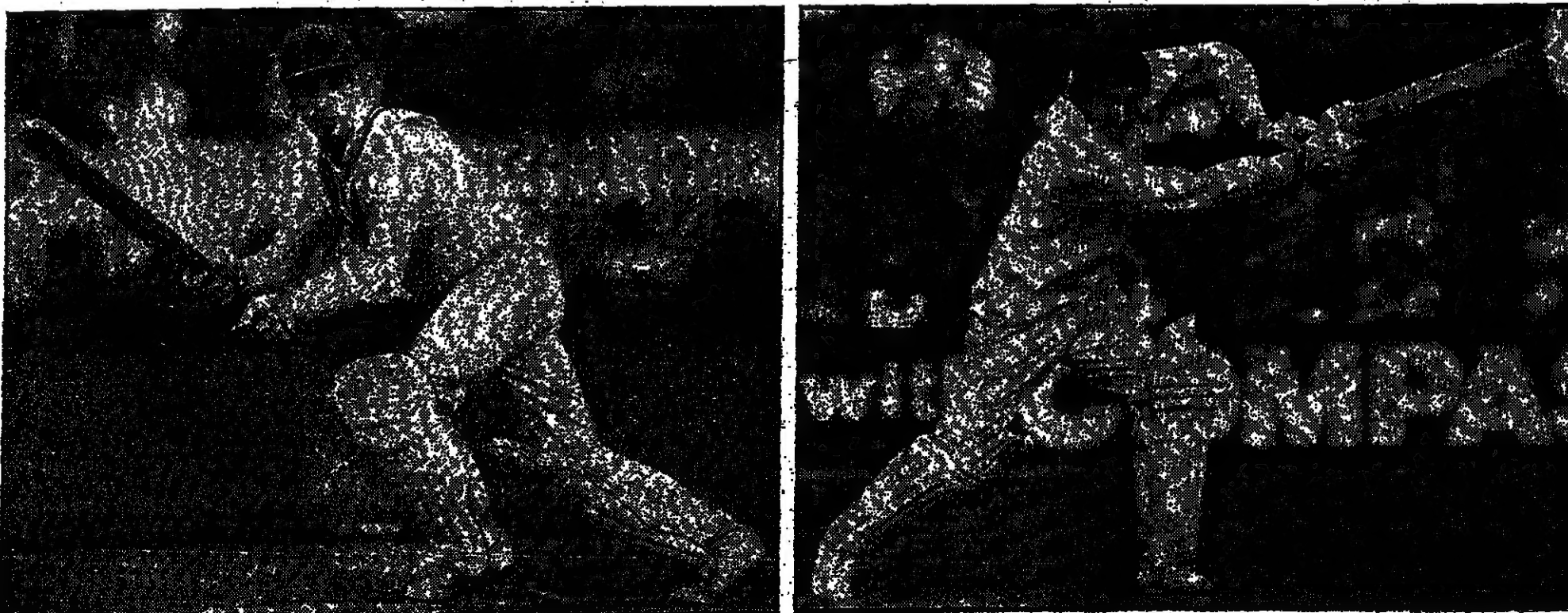
Cricket people talk of coaches as if they are indispensable as if a boy cannot learn about cricket unless he is coached. That is absolute piffle. The first thing to be developed in a boy is ball sense and this can't begin too young.

I took my two-year-old grandson, Forbes, out on the tennis court one day and began by getting him to hold his two hands together and then plopped a tennis ball into them. He thought it was a game and tried to hit me with the ball but this is the age to begin to teach ball sense.

'Safe' thinking held one back

If a young chap is keen enough on cricket, he will work many things out for himself, but he will be fortunate if he has an elder who can put him on the right lines. What I lacked as a youngster was somebody to explain what was wrong with my grip and tell me, "You are missing a lot in this game. You have to think positively. You can play all the strokes but you are afraid to let yourself go." And that was true. I had a depressed, "safety first" mentality.

The only virtue I see in one-day cricket lies in that it demands that a batsman play his shots, and many a batsman can play better than he thinks or tries. But it is also imperative that a youngster gets advice from somebody who knows what he is talking about. I had coached my youngest son, Larry, from a toddler and he was faultless, as I saw it, in all he did. A well-known coach from Sydney came to Canberra once and the first thing he tried to do with Larry was to change his stance and grip!



Mike Brearley (left) and Derek Randall . . . showing how not to hold a bat

Tomorrow: The amazing Bradman

Po for

Warsaw, Poland's union, today's government is adding a new element to its already Government to ease Poland's Solidarity threatened strikes in Government's cut in monthly supplies.

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Mr Walc optimistically prospects for

Next month is the sixty-ninth anniversary of the birth of Raoul Wallenberg, Swedish aristocrat, diplomat and war hero who saved the lives of thousands of Jews in Nazi-occupied Hungary. It may also be his birthday. For Wallenberg, though reported by the Russians to have died in a Moscow prison cell in 1947, has been frequently reported since as alive and still imprisoned in more than a dozen Soviet hospitals and camps. Andrei Sakharov has said that all mankind is in his debt, and last month he was made an honorary American citizen. Judith Listowel reports.

The Swedish Government was acting at the request of the American War Refugee Board and the World Jewish Congress when it appointed Wallenberg first secretary of its legation in Budapest in July 1944 with instructions to save as many Jews as possible from the Nazi death camps.

With almost unlimited American funds, he proved astonishingly successful. Four thousand Jews were given sanctuary in 38 houses which he bought and which flew the Swedish flag. Eight thousand Jewish children were housed in special shelters; and about 20,000 received Swedish passports, declaring them to be honorary Swedish citizens.

In December 1944, when intelligent Germans knew the war was lost, Wallenberg induced the German general in command of Budapest to spare the Jewish ghetto, where 70,000 Jews were to have been massacred.

In Hungary Raoul Wallenberg is a legendary figure, to whose courage, shrewdness and diplomacy perhaps as many as 100,000 Jews owed their lives. The Jewish wife of Hungary's fascist Foreign Minister, Baron Gabor Kemény, was his mistress, and she obtained permits and signatures for him which even the Gestapo respected. (Elizabeth Kemény is still alive in Munich; Gabor Kemény was hanged in 1945 as a war criminal).

Adolf Eichmann, given the task of destroying all Hungarian Jews, was incensed by Wallenberg's activities. In December, 1944, Wallenberg's car was rammed and wrecked. Fortunately he was not in it. But Eichmann sent word: "We will try again." (One wonders why Wallenberg was not even mentioned during the Eichmann trial in Israel).

On January 10, 1945 the personnel of the Swedish Legation moved from the Pest side to the Buda Hills, where life was safer. Wallenberg refused to go with his colleagues; instead he went to 16 Benczur Street, a house under the protection of the International Red Cross where 25 prominent Jews had found refuge.

Steven Radl, now a New York businessman, recalls his arrival: "He looked pale, thin and exhausted. He said the Nazis were looking for him. He was of medium height, dark, his hair thinning. He had a very soft voice, but when he spoke people listened. On January 15 the Russians came up through the basement. They looked at our papers. The soldier who looked at Wallenberg's called a higher officer, who asked Wallenberg to go with him to headquarters. Raoul left without taking any of his personal effects. He thought he would be back in a couple of hours. He seemed all right and in good spirits and said he had to go to Debrecen, where the Russians had set up a provisional Hungarian government."

Charles Wilhelm, now a lawyer in Brussels, spoke to Wallenberg just before he left. Wallenberg told him he wanted to talk to the Soviet commander, Marshal Malinovsky, about set-

ting up a relief and rehabilitation organization, searching for lost families, and caring for orphans and war victims; but he was not sure if he was "the guest or the prisoner of the Russians."

Wallenberg, driven by Vilmos Langfelder, a Jewish engineer whose life he had saved, went to his office in the Tátra utca where he told an assistant he would be away for a week and handed him a large sum of money to keep the relief operation going. He also stopped at the Swedish hospital. The two Russian officers, wearing the red tabs of the NKVD security police, drove on motor cycles right and left of Wallenberg's large blue car.

Wallenberg never arrived at Debrecen. Since January 17, 1945, he has not been seen in the West, nor has anyone received a word written in his own hand. He and Vilmos Langfelder simply vanished. Yet the previous day, the Soviet Foreign Ministry told the Swedish Legation in Moscow: "Measures have been taken to protect Mr Raoul Wallenberg and his belongings."

An interview with Stalin

A few days later the Russians herded the other members of the Swedish Legation in Budapest into an internment camp where, contrary to diplomatic rules, the NKVD questioned them for days, mostly about Wallenberg, his work, his funds and his American connections.

In Stockholm the following month the Soviet Minister to Sweden, Alexander Kollontay, invited the wife of the Foreign Minister, Christopher Günther, to tea and told her not to worry about "young Raoul" (he was 32); he was in good health and in a safe place. A few days later Madame Kollontay assured Wallenberg's mother that her son would soon be with her. Yet a week later the Soviet-controlled Kossuth Radio broadcast from Debrecen that on his way there he had been shot by the Gestapo.

In April, 1945, Averell Harriman, the American Ambassador to Moscow, on instructions from the Secretary of State, Edward R. Stettinius, offered the Swedish Minister, Staffan Söderblom, help in the search for Wallenberg, as he had been sent to Budapest at the request of the American War Refugee Board. Söderblom refused the offer, saying the Russians were doing everything possible.

The weeks passed. Summer came, then autumn, and still there was no sign of Wallenberg. Madame Kollontay refused to answer further questions. On November 3, 1945, the Swedish Government sent its first official Note through its Moscow Legation to the Soviet Foreign Ministry, demanding to know what had been done "to find and to protect" Wallenberg. Mr Söderblom also tackled the Soviet Vice-Foreign Minister, Dekanazov, who promised to find the military unit that had taken Wallenberg "under its



RAOUL WALLENBERG: the Russians found his idealism incomprehensible.

The Wallenberg mystery

protection". Any information which Dekanazov obtained was never passed on.

In June 1946 Söderblom obtained a rare interview for an ambassador with Stalin. In his report (the Swedish Government recently published the documents relating to the case) Söderblom said Stalin received him cordially and listened sympathetically. Söderblom told him, hoping to make things easier for Stalin: "I personally believe that Wallenberg was the victim of an accident or of robbers in Budapest."

Stalin wrote Wallenberg's name on a piece of paper and promised to look into the matter. (It now seems that this was artifice, that Stalin knew full well that Wallenberg was in the hands of Abakumov, head of the NKVD, and his direct subordinate.)

On July 6 1946 the Wallenberg family was informed that a Hungarian policeman, freed in May 1945 from the Focșani camp in Bessarabia, had there met Wallenberg, who was in transit to a Russian prison. The Swedish authorities contacted the Focșani prison authorities, who replied that no Swede had passed through the camp.

The Swedish Foreign Ministry continued to send Notes asking for information about Wallenberg until, on August 18, 1947, it received the following official reply from the Deputy Foreign Minister, Andrei Vyshinsky: "In spite of active researches at the Army Chiefs of Staff Office, at the Military Police and the Security Services headquarters, the competent Soviet authorities have been unable to find any trace of this person, who was never arrested in the USSR, nor in any area under Soviet control." This was to be the Soviet stance for 10 years.

Meanwhile in Sweden a Raoul Wallenberg Committee was formed; one of its moving

spirits was a Hungarian refugee, Rudolph Philip, who collected one million Swedish signatures for a petition to Stalin calling for Wallenberg's release. On July 15, 1947, it was handed to the Soviet Ambassador to Stockholm. Questions were asked in the Swedish Parliament; articles appeared in the press, and a distinguished group of scientists, backed by Albert Einstein and Martin Buber, proposed Wallenberg for the Nobel Prize.

The issue slowly fell from public attention until February 1952, where the staff of the Italian embassy in Bulgaria, captured by the Russians and only recently released, gave a reception in Rome. Claudio de Mohr, the press attaché, told a journalist: "In the Lefortovo Prison the Russians held not only Axis diplomats, there was also a Swedish diplomat who had done a lot of humanitarian work in Budapest. A man called Raoul Wallenberg."

The remark raised two lines in an Italian newspaper, but headlines in Sweden. Two Swedish diplomats were sent to Rome to question de Mohr, who told them that in September 1944 he had been placed in Lefortovo prison's cell 152. He managed to make wall tapping contact with the inmates of both cells 153 and cell 151. In April 1945 new prisoners arrived. A few days later de Mohr heard gentle tapping: the neighbour in cell 151 was telling him by Morse, in German: how the Russians kidnapped him in Budapest on January 17, 1945; and where he had been taken subsequently. De Mohr also related that until the beginning of 1949, when Wallenberg was moved to another prison, he was frequently interrogated about alleged spying but was never actually charged.

With de Mohr as a witness, the Swedes had the chance to

make a strong stand, especially as they held four Soviet spies whom the Russians wanted back. When the Swedish chargé d'affaires in Moscow raised the matter, the Russians told him they were interested in "certain people in Sweden". But the Swedish Foreign Minister, Bo Osten Undén, decided that Sweden could not risk "unpleasantness with Russia and handed the spies without asking for Wallenberg in exchange."

In his memoirs Carl-Fredrick Palmstierna, who had been personal secretary to King Gustav Adolf, has described what happened when, on the King's instructions, he asked Dag Hammarskjöld, the United Nations Secretary-General, to intervene. "He answered in a stream of crystal-clear phrases that the fact that he himself was a Swede made it doubly difficult for him to put the case of a compatriot to the Russians." Hammarskjöld did nothing.

'I know nothing about this person'

Between 1952 and 1956 the Swedish Foreign Ministry, Germans, Finns, French, Swiss and Austrians who had been prisoners of the Russians and had either met, communicated with or heard about Wallenberg, especially in the prison of the city of Vladimir.

In Bonn on January 21, 1956, Claudio de Mohr (then cultural attaché of the Italian Embassy) gave the Swedish Ambassador a long written statement about Wallenberg. On the strength of it two months later, the Prime Minister, Tage Erlander, went to Moscow for a week with a strong delegation. During the negotiations with Khrushchev Erlander brought up Raoul Wallenberg. Khrushchev turned red in the face and shouted



Threatened Jews besiege the legation in Budapest in 1944.

furiously: "I don't want to hear that name again! I know nothing about this person, and I do not want to know anything about him. If you mention him again, I will break off our negotiations."

The Swedes left it at that — except for sending two more Notes, on September 27 and November 17, 1956. At last, on February 6, 1957, came a statement from the Soviet Deputy Foreign Minister, Andrei Gromyko: "Yes, Wallenberg had been imprisoned in Moscow. A search of the prison archives had resulted in the finding of a single document, a handwritten report dated July 1947, from the medical head of the Ljubljanka prison, A. L. Smolotov, to the Minister for the Security Services, Abakumov: 'I report that the prisoner Wallenberg (sic) who is known to you, died suddenly in his cell last night, probably following a myocardial infarction.'"

From this, Gromyko wrote, the conclusion should be drawn that Wallenberg died in July, 1947. His imprisonment had been the result of "Abakumov's criminal activity. This Abakumov had later been sentenced to death and shot." Gromyko added that apart from Smolotov's "slip of paper" there was no trace of Wallenberg. That is the line the Soviet authorities still follow.

Four years later, in 1961, there was a sensational development. Professor Nanna Svarts, on a visit to Moscow, took up the Wallenberg case with Professor A. L. Myasnikov, whom she had known for several years. Myasnikov told her that he not only knew Wallenberg — he was his patient, and offered to take her to see him. Professor Svarts told him she ought to obtain the approval of the Swedish Ambassador, which she did. When she went back to Myasnikov, he not only withdrew his offer, but refused to talk to her any more about Wallenberg. On the strength of this evidence, the Swedish Prime Minister, Erlander, wrote to Khrushchev, asking permission to send a Swedish doctor to Moscow to prepare Wallenberg's journey home.

Khrushchev was furious and Myasnikov got into trouble. Before her death in 1965, Professor Svarts met Myasnikov three more times, but on each occasion he insisted that she had misunderstood him because of his poor German (which in fact he spoke perfectly); he did not know Wallenberg and had never heard of him.

In the following 10 years a mass of information reached Sweden from people released from Soviet imprisonment. Some of this material could be classed as hearsay. But in December 1978 a former Polish citizen, Abraham Kalinski, now living in Israel, gave the Swedish Embassy in Tel Aviv a detailed account of Wallenberg's stay in three Soviet prisons in the 1950s. In Vladimir he himself had seen Wallenberg in the prison yard.

In 1975 a Russian Jew, Jan Kaplan, said he had met Wallenberg in the Butyrka prison. Wallenberg seemed healthy and told him he had been im-

prisoned for 30 years. On the basis of the Kaplan account, for the first time in 14 years, the Swedish Government asked Moscow for a new investigation. The reply was the standard one: Wallenberg died in 1947.

The Swedish Foreign Ministry knows that Kaplan succeeded in sending his information about Wallenberg to several contacts in the West. In a letter to her daughter, who lives in Israel, Mrs Kaplan not only confirmed the story but wrote that the secret police had taken her husband away, saying she would never see him again, because he had been involved in "anti-Soviet activities" — meaning his revelations about Wallenberg.

Then suddenly the whole western world began to take an interest in Raoul Wallenberg. In a number of countries Wallenberg committees were formed. The British committee is headed by Greville Janner MP and Winston Churchill MP; the American by Senators Frank Church, Claiborne Pell, Daniel Patrick Moynihan and Rudy Boschwitz. Tom Lantos, a Hungarian Jew whom Wallenberg saved, has become a Congressman for California and, thanks to his efforts, Wallenberg has been made an honorary US citizen — which will enable the American Government to increase its efforts on his behalf.

International Wallenberg hearings were held in Stockholm in January at which witnesses who had met him or had had any contact with him in Soviet prisons (their number is shown on the map) told their stories. In May Nina Lagergren, Wallenberg's half-sister, received a cheque for \$10,000 in Washington from a man he had saved, and a special reception was organized for her at Jeshiva University in New York. Now Wallenberg has been nominated for the 1981 Nobel Peace Prize.

At the security conference in Madrid, which is about to adjourn, Britain has been among the nations putting pressure on Wallenberg's behalf.

The great unanswered, and seemingly unanswerable, question is this: Why have the Russians lied systematically about Raoul Wallenberg for 36 years? Why did they refuse to hand him back after the death of Stalin (and Abakumov), or after Khrushchev's fall, or as part of one of their several amnesties?

Wallenberg's role in Hungary, his pure idealism, was incomprehensible to them and they suspected him of being an American spy, perhaps even a friend of some Nazis. But they must have realized by now that he was none of these things, that he saved Jewish lives from purely humanitarian motives with funds received with the knowledge and blessing of the Swedish Government.

Yet the Russians still cling to their outworn, many times disproved story that Raoul Wallenberg died in 1947 from a heart attack. The evidence produced at the Wallenberg hearings indicates that he was still alive in 1980. After his tragic, ruined life, will he still be alive on August 12, his 69th birthday?

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The prison sightings since 1945

1945: Raoul Wallenberg arrested in Budapest: taken to the Ljubljanka prison. Moscow: shared cell with Gustav Richter, German police attaché in Bucharest: moved to Lefortovo prison: communicated with Claudio de Mohr, by knocking on cell wall.

1946: back to Ljubljanka: interrogation prison in Odessa.

1947: taken to Vladimir prison for political offenders, moved to Chalmers-Tu: according to Soviet Deputy Foreign Minister Andrei Gromyko, died in Ljubljanka.

1948: in Ljubljanka, according to General Moser.

1949: moved to the Butyrka prison. Moscow where Karl Karämer says that he shared a cell with Wallenberg.

1949-1951: back to Vladimir.

1951-53: Butyrka: Vershine Uralsk prison for political prisoners. Vladimir, where said to be in isolation.

1954-9: moved to Alexandrovsk political prison: Abraham Kalinski, now in Israel, says that he saw Wallenberg several times in the recreation yard.

1962: at Wrangel Island off the Siberian coast according to the Russian Jew Haim Mosbinksi.

1964-77: in Butyrka: in Szadivovo near Irkutsk, in Vladimir, in Zabaikalie; back to Butyrka, according to Russian citizen Jan Kaplan, who was arrested after passing this information to a daughter in Israel.

1978: in a special psychiatric hospital in Blagoveshensk near the Chinese border, according to a Russian dissident group.

1979: in prison in Moscow area.

1980: in prison in the Leningrad area. A witness claims to have met Wallenberg in a prison hospital.



Stalin: inquiry promise, but he knew it all along.



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HOW DEEP IS THE WELL?

The first hectic phase of oil and gas development in the British North Sea has already reached its peak. In a number of cases, indeed, the early large oil and gas fields are already entering a period of decline. It is a critical question, therefore, whether to encourage a relentless pace of activity, to keep the figures rising or, in a period of rapidly declining rates of demand, to preserve our resources so as to match our future internal needs so far as possible.

This is the question that the Commons Select Committee on Energy is asking during its current hearings on depletion policy. They are right to do so. For a country whose oil and gas have become two of the few growing assets in a period of general economic decline, the issues of oil taxation, the rate of new licence allocation, and the pricing of North Sea fuels are all subsidiary to the basic question of whether we wish to control and conserve those resources or not.

The trouble with answering the question is that not only do we still not know just how large those resources are until further exploration is undertaken but, at this stage, even the most expert are in a state of increasing doubt as to future energy trends.

Under these conditions governments may not be the best people to make bold decisions on the rate of North Sea development. Dominated by the immediate problem of the lessons of the last winter, the Department of Energy has consistently swung from one extreme to another, urging untrammelled speed at one moment, and then overloading the system with controls at the next.

Yet the choice is not a simple one between dirigiste controls and the free market. Without an overall policy, the rate of depletion and activity will be decided not by the international oil companies (whose interests are not the same as the nation's nor their wisdom, on past experience, any greater than governments') but by the individual policy initiatives of separate arms of the Government.

The Treasury will seek, as it has done, taxation for its revenue needs, regardless of its effect on oil development. The Foreign Office will look to the North Sea, as it is doing, largely in relation to its bargaining usefulness with the EEC colleagues, while the Energy Department, caught in the middle, will seek in controls, such as those on depletion, a means of ensuring its own power against the more senior departments of state.

The object of any depletion

policy should not be so much control as flexibility. So long as there is uncertainty about reserves and about future prices, then the balance of policy should be in favour of rapid exploration. The mistake of the past has been to allow the major early discoveries to proceed at full throttle whilst restraining the rate of new developments. The opposite should be the case. The Government should set as its priority the encouragement of a regular rate of new field development to ensure that capacity is kept at around 20 per cent above internal demand. Production rates could then be determined against capacity on an annual basis, with reasonable financial safeguards for companies. Our allies would be assured of access to capacity in times of crisis but not the assurance of full flows during other times. The Government's decisions on production rates and its view of future patterns of demand, supply and export surplus should be published fully and debated in Parliament each year, assisted if need be by independent advice.

The United States, Russia and Canada have all had several generations of experience in oil resource management. Britain, in its decade of oil management, has not yet achieved the comprehensive approach which is necessary. It is time to do so.

guerrillas commanded by Mr. Abdul Rahman Qassemi in the mountains of Iran's western regions.

If such an alliance becomes a reality, the fundamentalist regime may find itself faced with considerable armed resistance. On the other hand, the three elements in the alliance have little in common beyond their degradation of the present system. The Kurds are principally interested in securing an autonomous Kurdish state, rather than in the wider issue of democracy in Iran. Equally, there is no evidence that the Islamic brand of militant socialism espoused by the Mujahideen would, if put into practice, be any less authoritarian than that of the mullahs. The most likely outcome in the short term, at least, is that the IRP will seek to maintain its grip on Iranian politics and society, if necessary with the support of the Communist Party (Tudeh). The Tudeh has supported the IRP on all essential issues, and mobilised support for Mr. Rajai in the Presidential election. The Communist tactic, clearly, is to support the IRP for as long as the tide of Islam is on the rise. If the grip of the IRP weakens, or Iran disintegrates altogether, the Tudeh would then be able to pose as the party which—having loyally upheld Islam—could provide a secular alternative to the debacle of religious government. If that were to happen, the Communists would certainly find the pseudo-democratic practices evolved by the Islamic regime both familiar and convenient.

It is not easy to think or write with restraint on this subject. The temptation is strong to take a leaf or two from Bernard Levin's book and heap contempt upon politicians who will put anything at risk for the sake of a round of cheap conference applause, or a few block votes.

Let me confess that, in the end, moderation is made possible by a profound belief that no House of Commons we have known since the last war would have been prepared to sustain a Labour Government that had allowed itself to be committed irrevocably to policies of such certifiable lunacy. The draft prospectus for Labour in power will undoubtedly be carried, amended here and there, to the autumn party conference. If the majority is large enough, as it is more than likely to be, the items will appear in the Labour general election manifesto for 1983 or 1984.

But it still remains to be said, Yea, verily, And, unless they prove to be more deeply changed or frightened men than they sound or look, there will not be enough Labour MPs to carry the policies, no matter how Draconian the whips of votes into the lobby may be. It need be there will be an exodus from the Parliamentary Labour Party into independence to swell the ranks of the Liberals and the SDP in the new Parliament. For, though the cause of moderation is now the cause of the PLP, it is not yet entirely lost. After all, there are still about 70 Europeanists in the PLP who would not go headlong for withdrawal from EEC and Nato on anybody's order.

One distinct possibility is that after the next general election the two unpopular main parties, if they are to form a government at all, will have to try to make a coalition deal with all the refugees from Labour's left-wing extremism, with the Liberals and with Uncle Tom Cobley and all; and it will be easier for a pragmatic Conservative leadership to do that than a Labour leadership bound to doctrinaire policy by party discipline. Such a deal, increasingly thought worth making by Conservatives who want to put first things first, even if it means, as it will, a change of course on electoral reforms.

Martyrdom of the Baha'is

From Lord McNair

Sir, On July 16 you raised your powerful voice in protest against the cruel persecution of the Baha'is in Iran. No one could dissent, though some may wonder how benignly the Mujahideen-Khalaq treat their opponents if they were on top.

Will you, I beg, also use your influence to mobilise world opinion against the persecution of the Baha'is? The Baha'is are a peaceful, non-political, non-violent faith, a persecution which has continued under almost all the regimes which have followed each other in Iran for the past 140 years and which is plunging new depths of agony under this one?

This barbarism now threatens to reach the level of mass-martyrdom. I use that word in its most literal sense. Of the 62 Baha'is judicially executed since the last revolution many were offered their lives in exchange for the abandonment of their religious beliefs. All refused. The number of those who have been lynched is growing, and the Baha'is are being treated as a race of murderers.

In addition to the killings and beatings this exercise in scapegoat politics takes all the sickeningly usual forms, systematic destruction of more than 100 Baha'is, denial of education, employment, desecration of holy shrines and of cemeteries.

Your readers may ask, Sir, what is this faith for which men choose to die and which is so repugnant to the followers of the Ayatollah, who deny it even the small measure of recognition he grants to Christianity, Judaism and Zoroastrianism. Arising out of nineteenth-century Islam, the Baha'is faith asserts the essential oneness of God and of all the great revealed religions, Judaism, Christianity, Islam and Buddhism.

On the ethical side they take no part in politics, giving allegiance to whatever secular power they happen to live under. (In this they resemble the Middle East. In Christian language they "render unto Caesar...") They attach great importance to education, especially that of women. They hold the most enlightened views about what we call industrial relations, believing that the work of a man is his responsibility for the direction of his enterprise with his employer. They aspire to a world authority instead of our present chaotic patchwork of nationalisms. No wonder that Professor Gilbert Murray described them as "the peaceful followers of a harmless and unworldly religion". But that was at the time of the 1955 wave of persecution under the Shah's regime.

How then should we respond to the persecution of these people? Certainly not, as I suggest, by condemning them as such. There must surely be better, saner elements even in the Islamic Revolutionary Party who know that all these acts of barbarism disgrace Islam and can do nothing but damage to Iran. How can we reach them? It is terribly urgent that we should.

Yours faithfully,
JOHN MCNAIR,
House of Lords,
July 21.

Language problems

From Mr. Thomas Galbraith

Sir, Having just returned from a year's travelling in Europe, I suffered on arrival in England the same astonishment as R. G. W. Caldwell (July 17) at the almost total lack of translated public notices. But it is not only in the translations on trains and in the taxis that Britain is lagging. In most public telephones in France, Italy and Germany, instructions are written in four different languages, even in restaurants where a lucrative and well established tourist industry exists. It is no doubt aided by the whimsical or businesslike desire to communicate and move easily while understanding how and how much to pay.

In Britain there is no such ease for the foreigner. It may be now the time to introduce legislation (as was the case for the metric system) to force British Rail, British Telecom and other transport and communications networks to make a little effort with translations for the benefit of the British tourist industry which has much potential and this would be a small but important step towards its improvement.

Yours faithfully,
THOMAS GALBRAITH,
Old Barkingham,
Ayrshire,
July 17.

Prayer and fasting

From Mr. A. K. Wareham

Sir, It was no doubt fortuitous that your leader of July 22, "Stimulating the spirit of competition", was so close to Mr. Lock's letter concerning cancelled buffet cars.

I beg to suggest that, if the Great Western Railway was competing with the London Midland and Scottish, and both had the London and North Eastern breathing down their economic necks, Mr. Lock would have had his steak in the buffet car and been spared the temptation of breaking the ninth Commandment at the wedding.

Yours faithfully,
A. K. WAREHAM,
Stanciliffe Hall,
Dartley Dale,
Matlock,
Derbyshire,
July 22.

LETTERS TO THE EDITOR

Contribution of arts to national riches

From Mr. Arnold Wesker

Sir, The University Grants Committee has proposed that the recent cuts in university grants be partly absorbed by closing drama/theatre departments such as those of Lancaster, Leeds, Hull, Kent, Essex and Exeter. That's most of them!

These proposals together with a refusal to maintain Arts Council grants in line with inflation, refusal to allow theatre tickets to be free of VAT, together with a recession that affects theatre and concert box-offices, sale of books and commissioning of painting and sculpture for public and private buildings, is creating hardship and distress to the world of the arts which will in turn affect the spiritual fabric of this country.

God knows the arts have always been the lowest of any British government's priorities. Not even the Left in any of its speeches or manifestos talks or cares about a cultural heritage which includes Shakespeare, George Eliot, Turner and Benjamin Britten. And that heritage has helped shape the British personality and a texture of social relationships which have attracted so much warm affection and loyalty from abroad.

The value of art is intangible and thus always difficult to explain, especially these days when that less attractive side of the English personality, its propensity for cheap snigger, is making the arts an unfashionable cause.

But one of its values is the stimulation and sharpening of imagination. Not imagination in the sense of inventing fantasy and unreality, but in the sense of making "reality" in the sense of understanding and perception.

At a time when this country is being racked by primitive fears and passions fuelled by primitive imaginations—on all sides—then the kind of work these departments are doing the local population as well as the student body is of central importance.

British political leadership must face a harsh reality: ignore the old prophet of the burning bush who warned that "man doth not live by bread alone" and he will create a future generation who are insensate, purposeless, charmless and, finally, destructive.

Yours sincerely,
ARNOLD WESKER,
27 Bishop's Road NE,
July 23.

From Miss Brigid Brophy

Sir, I am puzzled by Sir Roy Shaw's argument (July 23) that giving a mere one per cent of the Arts Council cake to literature is justified because "literature is very heavily supported by libraries, which are separately funded".

The public libraries disclose the sums they spend on books. These include copies of *Who's Who*, atlases, romantic novels, gardening manuals, westerns and government reports. All are useful articles, which libraries are right to stock. But they are not what the Arts Council cake to literature is justified because "literature is very heavily supported by libraries, which are separately funded".

The fact that libraries buy books does not indisputably mean that they support literature. Had the public libraries never set up in peacetime book-selling, we might now have in their stead a network of bookshops, from which individuals might buy more books than the libraries buy. No one can be sure what would have happened, but West Germany may be an indicator. It has a small library system, making about a third of the number of loans made by the public libraries in Britain; and it has about three times the number of good bookshops and a larger book trade.

The claim that "literature is very heavily supported" boils down to an expenditure, which may on balance destroy more than it supports, on books, many of which do not purport to be works of literature. This seems flimsy grounds for the Arts Council to excuse itself from a large part of its responsibility to literature.

Yours truly,
BRIGID BROPHY,
Flat 3,
185 Old Brompton Road, SW5,
July 24.

From Mr. Alistair Horne

Sir, I read with approbation your leader (July 18) attacking the Arts Council's slashing of its already minuscule budget for literature, and with rather less respect for its predictably bizarre reply by Sir Roy Shaw.

Although authors can now, at long last, anticipate financial support via the libraries under Public Lending Right, I wonder how many of us can recall having been "very heavily supported by libraries" in the sense of Sir Roy's new contents? In what currency? The Secretary-General goes on to reveal that current Arts Council policy is to help readers, not writers. In my ignorance, I always thought that this was precisely what the libraries were for.

Disaffected by the negligible contribution now being made to literature by the Arts Council, many authors might feel that the Government could do better, and make more impressive savings, to have a go at winding down the Council altogether, restoring instead its ill-conceived cuts of the BBC foreign services, with the derisory amounts saved there.

Yours faithfully,
ALISTAIR HORNE,
24 Lansdowne Road, W11,
July 23.

From the Chairman of the Society of Authors

Sir, Your admirable leader (July 18) and Ian Rowland-Hill's timely letter (July 20) about the Arts Council's support for literature show clearly the threat that public subsidy for literature is under. What is perhaps most worrying is that there seems to be little concern within the Arts Council about the gradual collapse of the literature department. The national literary prizes have been abandoned, writers' grants have been limited to a few established writers, the New Fiction Society is to lose its subsidy, and now it is said that the department may be wound up.

The rot must be stopped before the roof falls in. Yours faithfully,
DEREK PARKER,
The Society of Authors, 84 Drayton Gardens, S.W.10,
July 21.

From Mr. John Wheeler, MP for Paddington (Conservative)

Sir, I have read with amazement the article (July 24) by my colleague Richard Shepherd, MP, in which he suggests that the Home Secretary should have resigned because of the recent disorders in some of our cities. This implies that the Home Secretary is responsible for police operations and for their failure or success, which he is not. Chief Officers of Police are responsible for operational matters and the officers are accountable to the courts for their conduct.

The Home Secretary's duty is to ensure that the police forces of England and Wales are up to strength and are properly equipped, and it is his duty to discharge his duties in connection with keeping the peace. Mr. Whitelaw is remarkable for his determination in ensuring that the police are well paid and, with the

Contracts with universities

From Professor Lord Wedderburn of Charlton

Sir, It has been an elementary principle of English law since 1853 that a person who knowingly and intentionally procures a breach of contract incurs civil liability in tort and must pay damages for his procurement to the injured party. This includes a procurer who acts "knowingly or recklessly, indifferent whether there is a breach or not" (as Lord Diplock put it in 1956).

The Government has now made it clear that it intends to compel universities to act, if need be, in breach of contract by dismissing staff (academic and non-academic) for this issue is not restricted to teaching staff in order to comply with the cuts in higher education, which are wholly disproportionate to other public expenditure cuts. Barones Young has now stated categorically, three times, that the Government cannot estimate the cost of such dismissals "until this matter has been tested in the courts" (House of Lords, vol. 42, No. 124, cols. 554-5). Not "if", but "until".

The Government, of course, hopes universities will achieve savings by redeployment or early retirement, but it recognises (as he put it) that "this policy will involve a redundancy of academic and non-academic staff", and it knows that many of those redundancies will also involve breaches of employment contracts (however hard the universities fight, as they will avoid that consequence of Government policy).

In other words, an integral part of the Government's calculations on higher education is the currently unpredictable cost of litigation over breaches of contracts which it will intentionally have procured (with all the thousands of pounds in legal costs that that will imply).

While it is no doubt true that the Government is not answerable in the courts for these policies on the distribution of public funds, does not the calculated policy suggest that the Government not only is bound to reimburse the employing institutions for damages and costs payable by them to staff dismissed in breach of contract, but is also morally obliged further to pay to those wrongfully dismissed the additional compensation which an injured party would normally recover from the procurer of a breach of his contract? Or will it hide behind the principle (on which it so often unjustly chides others) that it stands "above the law"?

Yours sincerely,
WEDDERBURN OF CHARLTON,
23 Woodside Avenue,
Highgate, N6, July 24.

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DEREK PARKER,
The Society of Authors, 84 Drayton Gardens, S.W.10,
July 21.

From the Chairman of the Society of Authors

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**By Michael Phillips
Racing Correspondent**

After winning the Prix de L'Arc de Triomphe a second time, Alleged was rated 100 but after much heart searching the handi-

ing that their entries are accepted when the field is announced towards the end of the week. That is heartening news for the promoters, because it is not easy to

pleasure from Circus Ring's victory, because it was he who originally bought her dam, Bell Song, for only 7,000 guineas when

P. Cook 649, W. R. Swirburn 627,
E. Hyde 593, G. Duffield 572, S.
Cauthen 551, J. Lowe 450.

Other racing, page 15

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E. Hyde 593, G. Duffield 572, S.
Cauthen 551, J. Lowe 450.

Other racing, page 15

A cool head on young shoulders: Walter Swinburn finds the cap fits.

By Pamela Macgregor-Morris

Mr Hunnable owns the Towerlands equestrian centre in Essex and his best showjumper is Anglezarke, who won the Aachen Grand Prix with Malcolm Pyrah. Christopher, the eldest of his three

the holders, are third with 22.
Two days later the Dublin
Horse Show starts its five-day run.
EVEREST DOUBLE GLAZING
SUPREME CHAMPIONSHIP: 1. N
Skellern's St. James; 2. Mrs. E. Edgar's
Everest Forever; 3. R. Radley's Sunnys.

By Rex Bellamy . . .
Tennis Correspondent

The first exemplary teenagers to benefit were Bjorn Borg and Chris Evert, now Mrs Lloyd. They set such a popular trend that many consider some of its effects alarming. The International Tennis Federation hopes that

GROUP SIX (Frinton): Northamptonshire 5, Durham and Cleveland 3, Northumberland 5, Shropshire 4, Herefordshire and Gloucestershire and Staffordshire. Released: Northamptonshire and Durham and Cleveland.

Correction: in group three, Lancashire won 5—4 against Buckinghamshire who were released. Hertfordshire remain in group three.

By John Wilcockson

After 110 miles of racing up and down many hills of this majestic course, there were still five men together to contest the finish as they entered the final half-mile. This was the fourth time Downs had ridden this race and he knew that to win he would have to enter the narrow gateway into Gloucester.

SCOTTISH HEALING RACE: Final
 Stage: 1. M Jurco Czechoslovakia
 2. J Semin 38sec. 3. J Skoda Czechoslovakia, 3-56.46 4. R Booth Slovakia, 3-56.46 5. P Mercurius Netherlands, 3-56.46 6. F Dennis England, 3-56.46
 Overall 1. Jurco 2. Skoda 3-57.00
 3. Semin 38sec. 4. Czechoslovakia
 5. Kostadinov 6. Czechoslovakia
 19-12-05. 7. Khar 19-12-27. 8. Boom 19-11-10. 9. M Bell (GB). 19-12-05.

ANGER: H.M.
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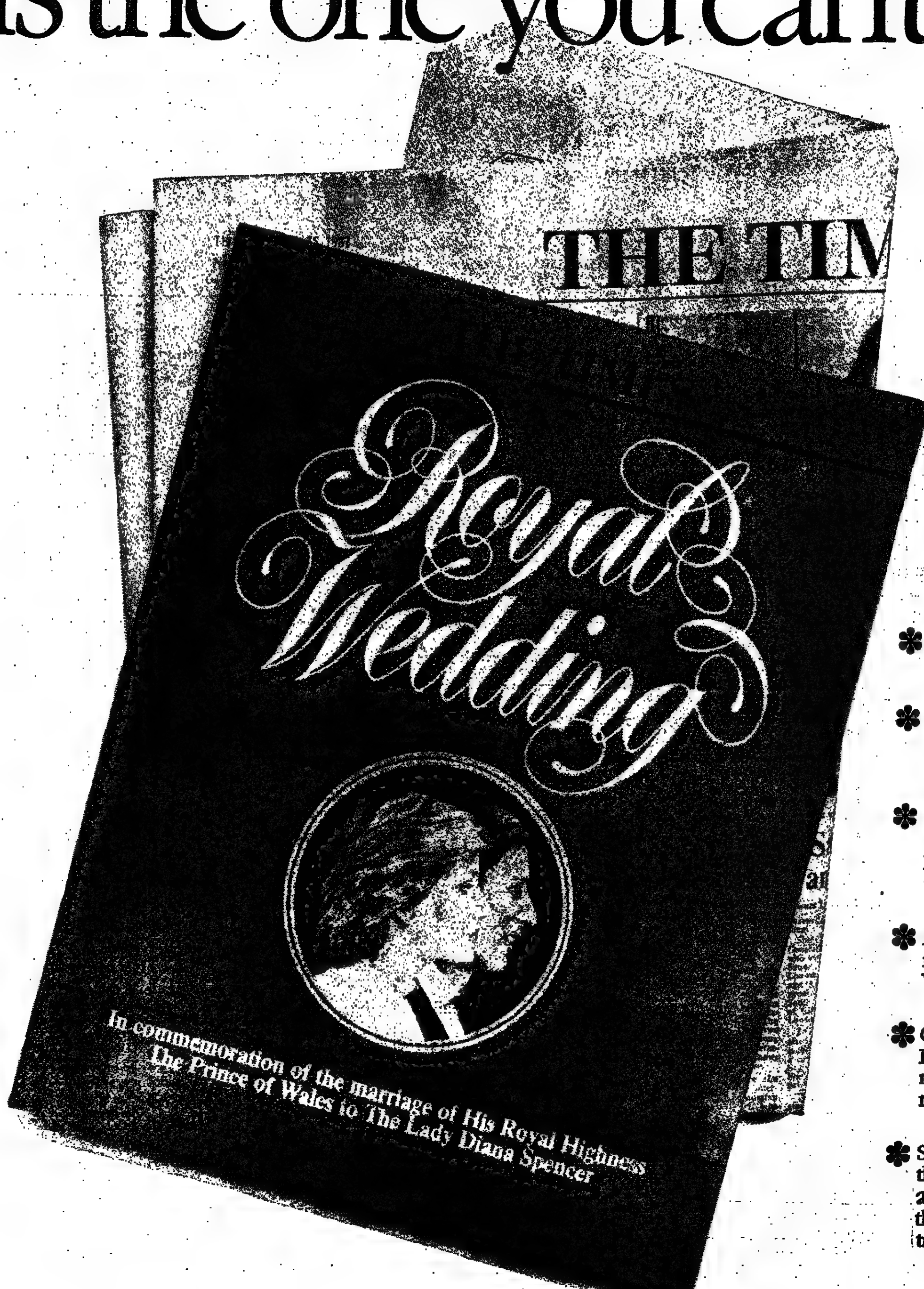
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field of this brand is designed to be **MIDDLE TAR** Manufacturer's estimate, January 1980, of group as defined in H.M. Government Tables

**DANGER: H.M. Government Health Departments' WARNING:
CIGARETTES CAN SERIOUSLY DAMAGE YOUR HEALTH**

JPS79T

The most collectable souvenir of the Wedding is the one you can't buy.



* Charles Douglas-Home on the politics of the monarchy.

* Antonia Fraser on the role a Royal Princess was and is expected to play.

* Norman St. John Stevas writes about the changes Britain has undergone since the Queen herself married.

* Anthony Holden, the royal biographer, asks Why Lady Diana?

* Godfrey Smith talks about Royal Gloucestershire, now home for three royal couples.

* Souvenir portraits of the bride and groom, a full-colour guide to the route, the family trees, and lots more.

It comes free with THE TIMES on Tuesday

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Business News

THE TIMES July 27 1981

Engineering puts cash into new machines

By Our Industrial Staff

Despite the recession many British engineering companies will have sufficient capital to invest in new machine tools and other production equipment, and a large number are turning to automatic machines. This is the main conclusion drawn by the Journal, *Metalworking Production*, from its latest survey of engineering investment intentions, which shows that 73 per cent of the manufacturing units surveyed will be buying production machinery in the coming year. More than 1,000 directors and managers responsible for their companies' production took part in the survey. Sixty per cent of them said they would be buying as many or more machines as they did in the previous year. Ninety per cent said they would be investing in new rather than second hand machines and more than 50 per cent expected to be buying all or most of their tools from British rather than foreign suppliers. The survey highlights the rapid growth in the use of numerically controlled (NC) machine tools. The Journal's 1976 survey showed that less than 1 per cent of machines then in use had NC controls, but the latest results indicate that the figure has risen to 16.2 per cent. More than half of all prospective buyers intend to specify computer controls for any turning machines bought in the coming 12 months. The magazine says: "Although few engineering companies expect any upturn in trade this year, the results of our survey show that they intend to use any available money in investment in the future. Companies recognise that new machines and technology are needed to build up production capacity and form a sound base for the end of the recession".

'CREATIVITY MISSING' IN JAPAN

From Peter Hazell, Tokyo, July 26

A Japanese government white paper has borne out claims by Western industrialists that this is not a nation of creative thinkers and that economic successes can be attributed to skill in borrowing and improving new technology and applying it to mass production. The white paper urges the provision of more financial resources to encourage creative thinking in development of new industries and techniques. Japan contributes about 9 per cent of the \$16,000 m diverted towards the development of new technologies, making it the third largest contributor after the United States and the Soviet Union. However, the paper indicates Japan has done little to contribute towards science in creative thinking. New discoveries account for a mere 7.7 per cent of the country's scientific innovations. In comparison, creative discoveries in the United Kingdom account for 55.6 per cent, 24.4 per cent in the United States and 13.6 per cent in West Germany. Japan has the third largest number of scientists in the world and has reached a high capacity to develop technology but is still behind many other nations in the field of innovative or creative technology.

Shipbuilders keep losses within limit

By Peter Hill, Industrial Editor

British Shipbuilders will show this week that it managed to contain its losses for last year to within the original loss limit of £90m. At the end of the last year it persuaded the Government to increase state funding by £65m against a background of forecasts that it would overrun its loss limit by at least £20m.

The report and accounts which Mr Robert Atkinson, chairman of the state-owned corporation, will lay before Sir Keith Joseph, Secretary of State for Industry, this week will show better results than expected.

One reason for the improvement is the restructuring and the cost reduction programme which the corporation has undertaken over the past 18 months. Moreover, the lower than expected volume of orders reduced the amount of subvention from the Government's shipbuilding intervention fund.

In the current financial year, British Shipbuilders is operating with a reduced external financing limit of £150m against last year's enlarged figure of £185m, while the loss limit has been cut to £75m before intervention fund assistance.

With the approval of the European Commission, the intervention fund is to be extended for 12 months to July next year with resources totalling £45m. The corporation is expected to press the Government to secure Commission approval of a further extension on a reduced basis.

British Shipbuilders' corporate plan has been with Sir Keith for some weeks, but the Government is not likely to take decisions on it until early autumn because of the uncertainty created by the latest defence review. About half the labour force of 70,000 is employed on Naval contracts and discussions are taking place between the corporation and the Ministry of Defence to assess the full impact of the reduced level of warship contracting. Other discussions centre on the funding of an estimated £200m of investment which will be required at the Vickers yard at Barrow-in-Furness where Trident submarines are to be built.

An estimated £4m will have to be spent this year, £15m next year, with much larger volumes of investment building up in later years. The Defence Ministry and the corporation disagree over which should be responsible for that investment.



Robert Atkinson: 'Better news for Sir Keith'

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Early action sought on North Sea gas pipeline

By Rupert Morris

Pressure is mounting on the Government to break an apparent deadlock in negotiations for the financing of a £2,700m gas pipeline for the North Sea.

Delay in building the pipeline, which was supposed to have started in March, already has wasted £500m, according to Sir Denis Roope, chairman of British Gas.

The latest problems involve the oil companies, which were supposed to finance at least 20 per cent of the project under the Government's initial plan set out last year.

They have been involved in complicated discussions with British Gas over the past few weeks, ranging from arguments over prices to be paid for gas that is piped ashore to questions about the viability of the whole project.

Shell and Esso, for instance, have expressed grave doubts about the idea of a north-south pipeline from Magnus to Lomond or Fulmar, connected with the mainland by east-west pipelines.

They have argued that their northerly fields around Brent can be serviced by the Flange pipeline direct to St Fergus, and they are understood to be confident of finding sufficient new fields south of Fulmar to justify building another pipeline direct to St Fergus.

Many other oil companies also would be happy with such piecemeal development, and clearly will take a lot of convincing that investing in the pipeline is worth the risk.

British Gas is keen to offer guarantees to the oil companies. The obstacle, according to the corporation, is the Government.

The Prime Minister has promised his commitment to the project, but the Government has refused to allow British Gas to fund the project extensively, on the ground that this would put it over its external financing limit and push up the Public Sector Borrowing Requirement.

Department of Energy officials say discussions between British Gas and the oil companies are not complete. When they are, sometime this summer, the Government will make an announcement on financing for the pipeline.

The participants in those discussions know, however, that they can go no further without Government intervention.

The British National Oil Corporation has suggested that the oil companies should finance the north-south pipeline, while British Gas should fund the east-west section.

CBI demands Japan curbs

By Edward Townsend

Britain's industrial leaders, sceptical about the outcome of the recent Ottawa summit meeting, are to continue to press for concerted European action to combat the wide imbalance of trade with Japan.

The Confederation of British Industry is to seek clarification of the Ottawa decisions through its Whitehall contacts. There is clearly a growing frustration among business at the lack of action at government level to stem the flow of Japanese manufactured goods into the European Community.

Sir Terence Beckett, director general of the CBI, said last week: "Haven't we had enough of talks? It's action we want, not words."

The Ottawa economic discussion resulted in arrangements for a ministerial meeting next year of all countries of the General Agreement on Tariffs and Trade (GATT) and the promise of informal talks this autumn between the United States, Europe, Canada and Japan. Both events are seen as attempts to put pressure on the Japanese to curb exports and encourage greater imports from EEC countries.

Last week's comments from Sir Terence are a clear indication that the CBI considers the Ottawa deliberations to be far from satisfactory. As a result, the employers' organization is likely to intensify its lobbying in Europe to establish a uniform European industry approach. CBI leaders have not ruled out support for formal import controls if the Japanese do not curb exports to Europe voluntarily, and there are signs that support is growing among their West German and Danish counterparts for a hardline stance.

The CBI has already expressed its opposition to the Union des Industries de la Communauté Européenne, the federation of European industrial and employers' associations, its belief that the survival of certain key sectors of British industry is at stake.

The British Government can now expect further pressure from the CBI for tough action. The confederation's overseas committee had already recommended that "unless there is an unequivocal commitment by Japan at the Ottawa summit to alter radically her commercial policies, the EEC should ask the Japanese to accept a target for reducing her trade surplus with the United Kingdom and rest of the Community".

The United Kingdom's trade deficit with Japan has continued to worsen this year and is likely to reach £1,400m for 1981 against £1,000m last year. The total EEC visible trade deficit with Japan this year is expected to be £5,000m.

Sir Terence said, after the Ottawa talks, that the CBI would be keeping a watch on Japanese action to encourage greater imports from Europe and on how the operation of voluntary restraints on exports to Europe actually worked.

"All the statements of intent will do little to ease the situation for the sectors of British industry which are the most affected, or for those employed in them, if they don't achieve results," he said.

Companies which have a 22.1 per cent stake and shows in its 1981 account that Arbutnot was its third largest United-Kingdom equity investment. Since the bank's third quarter announcement, the value of that stake has dropped by £145,000 to £2.5m.

On the board of London Trust is Manchester-based Professor Roland Smith, non-executive chairman of the House of Fraser and shown in this year's directory as director of Arbutnot Securities, the unit trust subsidiary from which Sir Trevor and Mr Barrett have been suspended. The trusts were regarded as a major client of Halliday, Simpson.

The Industrial and Commercial Finance Corporation, the industrial investment group, has 10.1 per cent.

Arbutnot's 1981 accounts say there have been no contracts with any directors other than advances made by Arbutnot to Sir Trevor Dawson and his wife totalling £150,000 at the end of last March. Last year, the figure was £175,000.

The agreement provides increases between £25 and £50 a week, leading to a new salary scale of from £9,000 to £17,000 a year.

The rises are for staff represented by the Association of Scientific, Technical and Managerial Staffs employed in the Hewlett North Sea field and the Phillips oil refinery at Seal Sands.

Mr Roger Lyons, ASTMS national officer, said: "The outcome of these negotiations helps to share out the wealth of the North Sea companies among their employees and helps to regenerate the industry rather than accepting an absurd pay policy laid down by the CBI and the Government."

Mr Douglas Fraser, president of the United Auto Workers union, is on the Chrysler board, and he recently prodded the company into arranging a profit-sharing scheme with the union. The scheme, unique in the United States, provides shares and cash to workers as a percentage of Chrysler profits.

Chrysler has some \$1,200m in loans guaranteed by the United States Government, and Mr Donald Regan, the Treasury Secretary, was delighted with Mr Iacocca's good news. But he remains to be done.

If the United States economy remains in a slump and interest rates remain high, the company

could face a disastrous second half of 1981. In the first quarter of this year it lost \$28m.

Chrysler's new model range looks competitive and the key now seems to be the ability of the company and its chiefs to juggle finances well enough to survive what may well be a protracted period of recession and high interest rates.

Mr Iacocca has said that wages are too high in America. But in an untypical remark for a United States executive, he said: "We need the flexibility to put a labour leader on the board, the foresight to develop new techniques of cooperation in the work place."

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Managers' pay rises halved, report says

Pay increases for senior and middle management have almost halved in the last nine months, according to a survey of 100 companies published today.

But increases will not fall to the 5 per cent level hoped for by the Government, the survey by Reward Regional Surveys of Stone, Staffordshire, predicts.

Wage deals for managers in June averaged 10.2 per cent, compared with 19.3 per cent last October. The rate for the past 12 months was 14.4 per cent.

Settlements will continue to fall but there is little chance that the Confederation of British Industry's target of 4 per cent or the Chancellor's hope of 5 per cent will be achieved, the group said. Increases in private manufacturing and service industries would be between 6 and 8 per cent.

Companies were taking an increasingly "hard-nosed" approach to loss essential benefits and perks. Cars were still as popular as ever but were not being replaced as frequently.

Reward Regional Surveys calculated that an average car, a 1,600 cc Ford Cortina, was worth £1,863 a year in gross salary. It also found that after the unprecedented growth of private health schemes in 1980, few new companies were now offering this benefit for employees.

Looking at specific professions, the survey confirmed a long-suspected trend that engineers and technical staff were recruited at higher starting salaries than many professions but take longer — into their fifties — to reach their earning peak.

Financial, marketing and management workers reached their earning plateau in their late-forties.

Pay rises of 20 per cent have been agreed from July 1 for staff employed by Phillips Petroleum.

The agreement provides increases between £25 and £50 a week, leading to a new salary scale of from £9,000 to £17,000 a year.

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Chrysler's new model range looks competitive and the key now seems to be the ability of the company and its chiefs to juggle finances well enough to survive what may well be a protracted period of recession and high interest rates.

Mr Iacocca has said that wages are too high in America. But in an untypical remark for a United States executive, he said: "We need the flexibility to put a labour leader on the board, the foresight to develop new techniques of cooperation in the work place."

Queries for Arbuthnot directors

By Philip Robinson

Shareholders of Arbuthnot Latham, the merchant banking group which suspended Sir Trevor Dawson and Mr Michael Barrett from running its unit trust offshore 10 days ago, will get the chance to question directors at the group's annual meeting on Thursday.

Companies' annual meetings are traditionally the only opportunity in the year for shareholders to ask directors about the running of their company.

Arbuthnot, suspended, Sir Trevor as chairman and Mr Barrett as managing director of its Edinburgh-based £50m unit trust operations in connection with Manchester stockbroker Halliday, Simpson, themselves suspended by the Stock Exchange from trading on July 10 and now in the process of closing.

Among the shareholders entitled to attend the meeting at the group's London office in Queen Street will be Cook Industries, the American group. Last year, Cook topped up its 1.54 per cent holding to the current 12.4 per cent, buying more Arbuthnot stock from Mr Graham Ferguson Lacey. It is believed Mr Lacey sold his remaining Arbuthnot shares, around 4.99 per cent, to Electra Investment Trust earlier this year.

Arbuthnot's second major shareholder is the London Trust

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Such legislation would enable traders, consumers and consumer protection officials to know what was acceptable and what was not.

Consumer protection legislation has entered a period of uncertainty since the CBI proposals for new legislation, some from the European Commission, have failed to gain acceptance and measures introduced in the United Kingdom have proved to be excessively complex and failed to achieve their object, it is claimed.

The paper says that the best features of both forms of regulation would be combined, so that statutory duties were expressed

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Managers' pay rises halved, report says

Pay increases for senior and middle management have almost halved in the last nine months, according to a survey of 100 companies published today.

But increases will not fall to the 5 per cent level hoped for by the Government, the survey by Reward Regional Surveys of Stone, Staffordshire, predicts.

Wage deals for managers in June averaged 10.2 per cent, compared with 19.3 per cent last October. The rate for the past 12 months was 14.4 per cent.

THORN EMI

"It remains our conviction that the Company is following the right strategy. We have improved our competitiveness and have the determination and will to be leaders internationally in two growth areas of the next decade — Home Entertainment and High Technology Engineering."

The following are further extracts from the annual statement to shareholders made by the Chairman, Sir Richard Cave, and from the accounts to 31st March, 1981, copies of which will be posted to shareholders in early August.

"It is gratifying to be able to report the growing acceptance of the correctness of the strategy that led the Board into the merger with EMI. The actions we have taken in disposing of businesses not central to our strategy objectives have helped to concentrate attention on the opportunities that lie ahead both in Home Entertainment and in High Technology Engineering. In each case the wide spread of THORN EMI business interests puts the Company in a strong position to take full advantage of these growth markets whilst continuing to develop our mature businesses.

Positive action

"In the U.K. alone our total labour force in continuing businesses was reduced by almost 10,000 during the year and we were forced to announce

the closure of 21 locations, including 15 factories. A substantial sum has been charged against pre-tax profits to reflect the costs of these unavoidable actions and those which will continue into the current year. This has inevitably led to a substantial reduction in profits and lower earnings per share.

"However as a result of the positive manner in which we have reacted to changed circumstances and set up the necessary financial provisions, the Company now has the opportunity of earning improved profits in this and future years.

A strong company

"I believe that we remain a strong Company and we look forward to the opportunity for that strength to be confirmed in a recovering economy."

Results in brief	1981	1980
	including EMI for 4 months	
	£m	£m
External turnover	2,328.5	1,620.9
Trading profit	283.5	256.4
Depreciation	153.5	117.9
Profit before taxation	94.3	126.5
Profit after taxation	67.3	91.0
Gross cash flow	224.5	230.7
Capital expenditure	223.9	205.6
Net assets per Ordinary Share	293.3p	277.5p
Earnings per Ordinary Share before extraordinary items	34.5p	57.6p
Dividends per Ordinary Share	14.625p	14.625p
Number of employees (world wide) at year end	106,597	125,458

THORN EMI is a major international company with world-wide interests.

THORN EMI businesses embrace Home Entertainment — Consumer Electronics, Television Rental, Music, Films, Video software and Leisure — Electronic and General Engineering, Domestic Appliances and Retail, and Lighting.

THORN EMI employs more than 100,000 people — one in five outside the United Kingdom — operates directly in nearly 40 countries and exports to more than 140.

Contribution of Product Groups to Group turnover and profit.

	1981	1981	*1980	*1980
	Turnover	Profit	Turnover	Profit
	£m	£m	£m	£m
Consumer electronics	581.1	69.6	518.1	74.7
Music	411.5	30.4	386.7	0.2
Films, Video software and Leisure	92.2	2.8	83.3	7.7
Engineering	593.9	29.8	522.9	38.9
Domestic appliances & Retail	469.4	16.7	473.3	23.6
Lighting	220.1	(10.1)	222.6	10.6
Terminated operations	25.3	(0.2)	91.6	(16.0)
	2,393.5	129.0	2,298.5	139.7
Deduct interest		34.7		25.9
		94.3		113.8
Pre-acquisition, turnover and loss of EMI (8 months)			520.4	(11.7)
Group turnover and profit before taxation	2,393.5	94.3	1,778.1	125.5

The analysis of contribution to turnover and profit before interest between the UK and Overseas companies is as follows:

	1981	1981	*1980	*1980
	Turnover	Profit	Turnover	Profit
	£m	£m	£m	£m
United Kingdom (including exports)	1,631.3	94.5	1,565.9	124.0
Overseas	762.2	34.5	732.6	15.7
	2,393.5	129.0	2,298.5	139.7

* For comparative purposes, restated to include EMI for the year to 31 March 1980.

THORN EMI plc

THORN EMI House, Upper Saint Martin's Lane, London WC2H 9ED

MANAGEMENT

A better showing by managers

The quality of British management is improving, according to a new report from the British Institute of Management.

He is younger, better qualified and works longer hours than his predecessors, say the findings of a survey of 1,000 BIMA members in both the public and private sectors. If there is a typical manager, he is aged 43, married and male and his climb up the management ladder has been determined by his track record and ability rather than social class or educational background. Nearly all the respondents had had some further education: two-thirds had professional

qualifications but only one-third had been to university. The modern manager also works longer: 40 per cent of the respondents put in an average of 50 hours a week with 15 per cent working over 60 hours. But marked differences emerge between those in the public and private sectors. Roughly a quarter in state industries work less than 40 hours a week and private sector managers are much less likely to stay in the same job for long periods.

Managers today are also more concerned with industrial relations; a majority are involved in formal or informal meetings with union representatives. But there was some concern that middle and junior managers could lose out with present employee participation schemes giving them little opportunity for their views to be heard. *The British Manager in profile published by the BIMA.



Up and down market: Saks (right) the BATUS high fashion store on Fifth Avenue, New York and Gimbels, the department store group, which has turned loss into profit over the past two years.

BAT changes the mixture

Like the other British tobacco giant, Imperial Group, BAT Industries has a problem when it comes to corporate strategy.

On the one hand, there is the fact that its tobacco business is highly profitable (producing a return on assets employed of almost 20 per cent last year); on the other, there is the fact that it cannot be expected to maintain the phenomenal growth of the postwar years — particularly as there is increasing pressure for restrictions on advertising in the large and lucrative markets of the developed world.

Group reaction to this — a positive not defensive reaction, according to chairman Sir Peter McArdle — has been to diversify into other areas such as paper, packaging, retailing and cosmetics, using the cash flow generated by the tobacco business to finance a large part of the investment.

However, with the notable exception of the paper business — which came unstuck in 1980 but had previously shown a remarkable capacity for profit growth — these diversifications have not lived up to the hopes expressed for them. Certainly, the retail side in the United Kingdom (International Stores and the Arpos catalogue show-room business) has never produced anything like a respectable return on assets, and the cosmetics business is perpetually teetering between glory and disaster.

All of which made last week's flying visit from the top management of BAT's United States holding company, BATUS, particularly interesting. For the message they were putting across, loud and clear, was that the strategy could, and did work — given a high level of management commitment and a lot of hard thought.

Not that BATUS represented any form of diversification in its origins, far from it. The backbone of the American operations is still provided by Brown and Williamson, the tobacco company which British American Tobacco (BAT) Industries took over in 1967 (reincorporated in 1972).

It was not until the early 1970's that the group, mirroring its strategy in Britain, started to buy into United States retailing, and it was not until the end of the decade that it acquired its American paper interests. BATUS was set-up in 1980 to act as a holding company to the

American subsidiaries. In 1980, BATUS provided 20 per cent of BAT's sales, and 40 per cent of its profits. Although it is described as a holding and management company, BATUS has little to do with the gritty-gritty of the American operating divisions which function largely autonomously, just as BATUS itself has a high degree of autonomy relative to its British parent.

The connecting link is provided by the BATUS board, which is composed of the three heads of the American operating divisions, three from BAT Industries (vice-chairman Patrick Sheehy, finance director Brian Garraway, and Patrick Best of the Winston Tareps), and the president of BATUS, Charles McCarthy, and his executive vice-president and finance man, Frank Frigon. Their function is essentially one of strategic planning — which is taken to include corporate succession and management development. BATUS has a small corporate staff, to provide back-up services, but management responsibility remains firmly with the operating divisions.

The paper division has become part of the group so recently that it is not possible to draw any conclusions on its performance. BATUS has made no move into the tobacco and the retailing division, indicates very clearly both the weaknesses and the strength of this arrangement.

From the pride with which BATUS directors unveiled their 45 per cent improvement in net income last year, and the confidence with which they approach the end of 1981, it would appear that the weaknesses are largely a matter of past history. But they undoubtedly existed. Brown and Williamson, having achieved an extremely rapid rate of growth in the 1960's — it rose from six to third position in the United States tobacco league between 1961 and 1968 — then set on its laurels, with the result that its market share was slipping badly by the end of the seventies. In 1980 its average market share was 13.7 per cent but by the end of the year it was down to 13.2 per cent. Nor were this division's problems confined to market share. It also had aging plant which was relatively expensive to operate.

All of this is now traced back to a management "too hesitant" in its response to change — and in particular, in its response to

change in consumer requirements. The problem was not confined to Brown & Williamson: as its chairman, Dr I. W. Hughes points out, many other established brands in the United States have been losing their market share, and around 30 per cent of the brands now sold have been introduced in the past five years.

Brown & Williamson tackled its problems from the consumer end, by recruiting a new marketing team with a brief to discover what exactly it was that the consumer wanted. Naturally, they concentrated on the low tar end of the market, an area of extremely fast growth in the 1970's, and one on which Brown & Williamson had made no impression whatsoever.

The marketing team's conviction that consumers wanted low tar cigarettes but would take kindly to more taste coincided with the development of what Brown & Williamson describe as a revolutionary filter (now patented), which would give it to them. The end product, called Barclay, was carefully packaged to appeal to existing smokers of other low tar brands, since Brown & Williamson decided that there was not much mileage in tempting existing smokers of its own brands to make the switch.

The launch, in the first quarter of 1981, was remarkably successful. Barclay now has a 1.17 per cent share of the United States market, and Brown & Williamson's share is back to 14 per cent.

To this marketing concept, likewise, the turn-around in the retailing division can be attributed. BATUS has eight retailing subsidiaries, but there are effectively five separate areas of activity, of which Saks of Fifth Avenue, the high fashion store, is the most known on this side of the Atlantic. Saks was worthy but dull five years ago; since then attempts to attract younger customers without alienating the existing clientele have succeeded successfully. The same cannot be said for the changes in concept which characterize several of the other activities.

Gimbels, the department store group, came unstuck through disjointed attempts to change the sales mix and the customer profile — a policy (or rather, lack of it) which the president of the retail division, Robert

Helen Barker

More banks join small business loan scheme

After their initial misgivings, banks now seem to be queuing up to join the government's small businesses loan guarantee scheme.

Last week the Department of Industry announced that a further seven banks were joining the London and Scottish clearing banks along with Industrial and Commercial Finance Corporation in the scheme from August 3. These are the Co-operative Bank, Yorkshire Bank, Allied Irish Banks, the Bank of Ireland, Northern Bank, and Hill Samuel — the merchant bank closely involved in lending to small businesses. Mr John MacGregor, the minister responsible for small firms, proudly declared that there were other lending institutions waiting in the wings while their applications were being processed. Both the Co-op Bank and Hill Samuel were pushing their terms as being the cheapest in town.

The table gives some idea of the relative costs of taking out a government guaranteed loan for £50,000 and it seems clear that the other lenders come into the market rates could be shaved further. While no one believes that the scheme is perfect, it has got off to a flying start indicating the pent-up demand for such funds from small businesses. Mr MacGregor said that in the seven weeks since the

scheme was launched some 180 guarantees have been given covering loans of £6m, and demand is described as "buoyant".

The loan guarantee scheme, introduced as a three-year experiment, is designed to fill the gap for funds for small businesses which do not satisfy the banks' normal lending criteria. Loans are available at up to £75,000 for between two and seven years. Interest rates charged are roughly the same as for marginal projects and includes a 5 per cent fee to the Government for administering the scheme. The Government guarantee covers 80 per cent of the loan with the bank providing all the money and guaranteeing the remaining 20 per cent.

WHAT IT COSTS TO BORROW £50,000 UNDER THE GUARANTEE SCHEME

	Co-operative Bank	Lloyds	Natwest	Williams & Glyn's	Barclays/Midland	ICFC
(Figures represent £s)						
Initial cost when facility accepted:						
Arrangement fee	75	500	100	500	500	750
Quarterly premium in advance	300	300	300	300	300	300
	375	800	400	800	800	1,050
Quarterly cost before capital repayment:						
Bank interest	1,688 (13%)	1,750 (14%)	1,781 (14%)	1,812 (14%)	1,812 (14%)	2,125 (17%)
Guarantee premium (2.4%)	300	300	300	300	300	300
	1,988	2,050	2,081	2,112	2,112	2,425
Reduction in quarterly cost for each quarter capital repayment:						
Quarterly repayment of capital	99	103	104	105	105	121
	2,500	2,500	2,500	2,500	2,500	2,500
Total cost over 7 years (excluding capital repayment)	36,844	38,425	38,603	39,581	39,581	45,612

Figures provided by the Union of Independent Companies.

BY THE FINANCIAL EDITOR

US banks grapple with interest rates

America's money centre banks have just reported what at first sight look like dismal second-quarter profit results. Chemical Bank looks like the exception with a 15 per cent gain to \$53.5m (about £28.7m), but this is due to the sale of its head-office building and without this benefit this bank would have announced a decline of \$2m in its earnings.

Not only did most bankers miscalculate the trend of interest rates but their error looks especially grave as they got things right exactly one year ago and produced record results. Most profit figures would look poor compared with those registered in the second quarter of 1980, when United States interest rates slumped and the curb to the banks of their funds moved down much faster than the level of rates the banks charged their customers. Then, too, the dramatic interest rate developments of last year's second quarter also produced bumper bond trading profits for the banks.

Citicorp went further out on a limb than other banks last year in betting on interest rates falling and as a result its 1980 results were particularly good. This year Citicorp took a similar line, it was wrong and its results look particularly bad. Citicorp's profit before securities transactions in the 1981 second quarter, compared with second quarter 1980, were down 40 per cent at \$106m. Net interest income was off fully \$126m at \$582m and Citicorp recorded a \$2m bond trading loss, after a profit of \$75m in the comparative year ago period.

Citicorp is also still having trouble with its credit card business and this has added to its depressed results. A substantial improvement in the overall shape of Citicorp looks likely and its loan losses, like those of most US banks, remain very small, despite the mounting US recession and the heavy foreign exposure of the big banks.

Most banks are now reporting modest falls in second-quarter earnings relative to a year ago, with Chase down 2.3 per cent, Mellon down even less, Crocker off by 9 per cent and Wells Fargo down by 10 per cent. Net interest income everywhere declined and one explanation is that many of the banks are now providing substantial volumes of loans below prime rate and the differential between the prime and the rate for federal funds is narrower than has traditionally been the case. With interest rates remaining volatile and the economy weak it is difficult to see a significant increase in net interest income for most banks.

There are some exceptions and it does appear that the large money centre banks in the United States are being hardest hit. Analysts talk favourably at the moment about Texas banks in particular.

UK banking

Room for more disclosure

The banking industry at home is rarely out of the critical public spotlight and the level of disclosure by banks has been a familiar target in recent years. IBCA Banking Analysis in its statistical survey of British banks has some further harsh words to say on the subject.

The big four British clearing banks, whose interim reporting season is getting under way and which have been lambasted for making excessive profits, emerge relatively unscathed on this count for once. They have been disclosing bad debt provisions for a number of years and IBCA reckons the level of disclosure has improved. Not so the Scottish banks which have room to improve while the contenders for the wooden spoon are Williams & Glyn's and—although not a clearing bank—Standard Chartered. Standard, whose report includes "thumbnail economic/banking sketches of various geographic areas, which would be suitable reading for a bright 12-year-old", wins the prize.

These two sinners do, however, emerge rather better in terms of profitability. As measured by the pretax return on assets, which IBCA believes the best performance indicator, Williams & Glyn's has nudged Clydesdale Bank from first place with a 2.04 per cent return in 1980 and Standard Chartered followed in second place with a return of 1.84 per cent.

Of the four big British clearing banks Barclays, the largest with an asset base of

£37,097m, ranks fourth on this measure of profitability, followed by Lloyds in fifth place while NatWest is eighth and Midland ninth.

Disclosure among the accepting houses is of course a more controversial area because of the practice of keeping hidden reserves, although the draft EEC directive on credit institutions is proposing major changes. IBCA points out sadly that Robert Fleming, the only one not to keep hidden reserves, has since joining the committee also started doing so although IBCA provides an oddity because the movements in its hidden reserves can be traced through the accounts of its parent S Pearson.

Because of these arcane accounting practices which involve manipulating reported earnings and capital positions to varying degrees, comparisons are difficult. However, Kleinwort, Benson emerges as much the largest accepting house with assets of £2,713m and net income of £19m although Robert Fleming is much the most profitable. IBCA also observes that the accepting houses seem to be moving closer to the clearing and other major British banks in terms of absolute size. Kleinwort's equity and net profits are now larger than Grindlays, while its pretax earnings, which are not disclosed, must be approaching the major Scottish banks.

Gold futures

Lagging behind

For a country that almost invented the commodity markets London has been slow in developing new commodity futures markets. American investors and companies have for many years been accustomed to gold, financial and petroleum futures. Indeed, the American markets are now moving beyond these to such innovations as stock market indices, CD futures, and various kinds of options. This year, therefore, has been important to the City since it has seen the successful start of the International Petroleum Exchange and apparently smooth progress towards the London International Financial Futures Market.

But by the same token the postponement amid considerable confusion of the gold futures market is to be regretted. Gold futures, while not the biggest market, in many ways embody the spirit of futures markets. They are in popular imagination the quintessential futures market. They also, more mundanely, attract very large amounts of business. London's claim to be the world's financial capital is diminished by the absence of a gold futures market.

London then, can claim no credit for what has been happening to this market recently: after announcing September 7 as the day on which the gold futures market would open, the board of the exchange decided to delay the opening without fixing another date. It is even less creditable that the public reason for the postponement should have been the unsurprising discovery that the London Metal Exchange's broken trading hours were not suitable to the continuous trading which an American-style futures market requires. The board has since said it will not be trading on the LME.

If this raised eyebrows in the City, it only added to the puzzlement already created. The decision to denigrate the contract in sterling rather than dollars did not win admiration. But that was a technical decision compared with the organisational point that barely three months before the market was originally due to open applications for membership had not been invited. If it is intended that membership be confined to members of the LME and the bullion market, the success of the market is open to doubt.

The position now is that six years after Chicago started a gold futures market the London market has no trading floor, no contract, no membership, and no opening date. This unsatisfactory state of affairs persists despite 18 months discussion by members of the LME and the bullion market. These are not bodies renowned for their innovative spirit, but their failure to start a gold futures market, contrasted as it must be with the progress made by the IPE and LIFFE, is stark. London needs to recapture the initiative in commodities trading.

Adrienne Gleeson on the latest developments at the Trustee Savings Banks

TSBs join the big lending league

It is naturally a source of embarrassment that the Trustee Savings Banks (TSBs) have been slow to develop their own commercial bank.

But it was not simply embarrassment that induced the TSB to make the announcement so quietly a couple of weeks ago. It was also the fact that they have problems when it comes to letting the world know how far they have come in the past four years, and how much further they intend to go.

The announcement that they will undertake commercial loans marks the latest, and possibly the most revolutionary, of the steps in the TSBs' development from thrift organisations, with their roots in the enlightened self-interest of the late eighteenth century, into financial conglomerates offering all the services of the normal joint stock bank and a few more besides.

The TSBs embarked upon this path in 1977, some four years after it had been mapped out for them by the Page Committee on National Savings. The steps

taken so far—the introduction of personal cheque accounts, of personal loans, of mortgages, and of small-scale lending to sole traders, partnerships and the sort of local limited company whose owners are likely to bank with the TSB in their personal capacity—have been momentous in their implications but pretty minor in their impact on the structure of the banks' assets and liabilities. The latest step is revolutionary because it is likely to transform their balance sheets.

By the standards of the conventional joint stock bank, the TSBs' balance sheets are at the moment distinctly odd. The oddity does not lie on the debit side, though with three separate kinds of personal account—cheque, savings and investment—and no share capital, the liabilities will show clear signs of the TSBs' origins in self-help and savings. The nature of their assets, however, is very strange indeed.

Most banks lend the money which they receive from their depositors to other customers. But the TSBs still lend by far the bulk of their loans to the Government. Most of this is invested in government stock purchased through the Stock Exchange, but a substantial slug—£1,236.5m out of total group assets of £6,524.1m at the last balance sheet date—is still lent directly through the National Debt Office. At the end

of November, 1980, total advances to customers, at £352m, amounted to little more than 5 per cent of total assets.

Such a disposition of their assets may have been all very well in the days when the TSBs could with government backing, assure their depositors of returns as good as anything which the competition could offer and tax advantages as well. But those days have gone. The returns are now dependent on what the TSBs can earn, and the tax advantages were scrapped in November, 1979.

At the moment neither the 4 per cent offered on ordinary accounts (those in which the money is available on demand), nor the 9 per cent odd (it varies from asset to asset) on investment accounts (those on which the money is available at five days' notice) compares well with the rates being offered by the building societies or the National Savings Bank; and while the investment accounts are still popular, the volume of money deposited in the savings accounts has been dropping steadily over the past four years.

It is largely with a view to improving the return on assets, and thus the returns that can be offered to depositors, that the TSBs have been pursuing a perilous course of lending to the public.

Their embarkation has, however, been attended by two major handicaps, either of which, in itself, would probably be enough to send the competition into a profound political sulk. The first stems from the peculiar nature of the TSBs, and hinges on the question of what exactly they are, and who exactly owns them—questions which neither the TSBs themselves nor anyone else have yet been able to answer.

What is certain is that they are not a group, and since they are not a group they cannot claim group tax relief. This means, for instance, that if one part of the organisation makes losses they cannot be set off against profits elsewhere for tax purposes (except insofar as both losses and profits arise within the service company subsidiaries of TSB Holdings, which itself is jointly owned by the regional TSBs and the central board). More important still, it means that the TSBs in general cannot take advantage of the tax shelter provided, in particular by the legislation on leasing—which is an important source of business for the joint stock banks. The TSBs are hoping for legislation to clarify the legal status, probably by establishing a holding company, by 1984; but in the meantime there is no way they can bump over the tax barrier in competition with the banks without making a loss on it.

How the TSBs' aggregate balance sheets are likely to look by November 1981

Assets	£m	Liabilities	£m
Cash and liquidity	620	Cheque accounts	703
National Debt Office	1,030	Savings accounts	1,364
Export Credits Guarantees	100	Investment accounts	3,187
Department refinancing	410	Term deposits	1,016
Retail lending	670	Customers' balances	6,270
Wholesale commercial lending	50	Creditors, corp tax etc	100
Investments (govt stock etc)	3,700		
Total lending	5,480	Total liabilities	6,370
Debtors, infrastructure	400	Reserves	510
Total assets	6,880		6,880

Casper, Wyoming

Close to the centre of this city the commercial centre of Wyoming there is a simple monument dedicated to the thousands of American pioneers who trekked westwards through the Rockies to the Pacific coast.

That westward journey was made along a series of trails from the east, including the Oregon Trail which passed close to where the memorial now stands. It was a long and arduous journey undertaken by the fact that Casper himself is named after a cavalry lieutenant who died protecting pioneer's wagon trains from the attacks of 3,000 Sioux and Cheyenne Indians.

Today, more than 100 years on, the pioneering spirit is alive and well in Casper. But today's pioneers are the geologists, tool pushers and roughnecks of the oil industry.

Like their predecessors, they too are heading west, to the Rockies. But today the search is for oil and gas. In much the same way as the cavalry rode over the hills to rescue the men and women of nineteenth century wagon trains, the oil men are riding west to rescue the United States from the

country's dependence on the whims and fancies of Opec oil ministers.

Their target is the "Overthrust Belt", the geological feature which runs the length of the Rockies from Anchorage to Acapulco. The belt was created millions of years ago by natural forces which pushed, or thrust the westernmost rock strata of the Rockies over those which lay to the east.

By one of those happy strokes of geological coincidence, the overthrusting occurred in exactly the right place to create pools of oil and gas.

Oil and gas discoveries in the Overthrust Belt are not new—a significant discovery was made in the Turner Valley near Calgary in 1926—but the pace of exploration has quickened appreciably over the past six years. It is a programme stimulated by new discoveries and the pressing need to build up their own proven oil and gas reserves to reduce dependence on imports.

Such has been the pace of development that in the popular imagination it has been seen as a veritable underground river of oil and gas stretching from Alaska to Mexico. It is an analogy which the oil industry regards as fanciful.

W. Vanderbeek, vice-president and regional manager of Amoco Production Company is among those who want to play the image down. Nevertheless, his own company, together with Chevron USA, has seen fit to pin the "giant" label on a couple of gas fields and an oil field which they have discovered on the Wyoming Overthrust.

In oil industry terms that label implies reserves of 100 million bbl of oil or 1 trillion cubic feet of gas. Indeed, reckoning that the reserves of the three fields are greatly in excess of those estimated.

The discoveries, and others which have been made over the past few years, have completely changed the oilmen's attitude towards prospects in the Overthrust Belt. In the period up to the first significant discovery in late 1974, oilmen regarded the south-west Wyoming and north-east Utah region as a graveyard. The legend over the graveyard read: "500 dry holes".

But since that initial discovery, the rigs and drilling cranes have poured in. New discoveries have been made and production has been lifted to

30,000 barrels of oil and 100 million cubic feet of gas a day. Yet some people in the oil industry believe the Overthrust's true potential has been scarcely scratched.

Production capacity is being constrained by the lack, so far, of large plants to process the gas from the fields, and delays in federal authorisation for a large new gas pipeline into the region.

So how large are the reserves on the Overthrust? Amoco estimates that discovered reserves in the south-west Wyoming and north-east Utah area amount to an energy equivalent of about 2.5 billion barrels of oil—equivalent to about one-third of the reserves established at Prudhoe Bay, Alaska.

The search for new reserves continues with no sign of any abatement. Richard "Rip" Robitaille, the Texas-born oilman who runs the Petroleum Associates, keeps a careful check on the progress which the industry is making in the belt.

Throughout last year the average number of drilling rigs operating throughout the area (exploration and production) amounted to 150 per month. At the end of last month

there were 198 rigs operating in the Wyoming Overthrust, by far the largest number on the Rocky Mountain region, compared with 153 a year earlier.

The interest and rapidity of development says Robitaille, stems from a combination of two factors.

"The first was the federal government decision to deregulate oil prices which enabled the oil companies to sell the product at prices which provide a return; and second, the technology which has become available to the oil companies over the past few years," he says.

What this all adds up to is that Wyoming is consolidating its position as one of America's biggest sources of primary energy. It already boasts some of the largest coal reserves in the world and a plenitude of uranium.

"Without question the area represents the most significant onshore activity in the United States," says Mr Robitaille. "We have defined the extent of the Overthrust but we have not yet defined its production potential. What we do know is that it has a great deal of potential."

Peter Hill

Realizing a vision of socialist sixties

Industry in the regions

Milton Keynes

from six other centres, the development corporation provided "an enormous mass of practical assistance about relocation, housing availability, education, recalls Mr Gerry Latham, the company's administrative manager.

His company, which brought 300 employees to the city and created 400 more jobs, chose Milton as "the optimum centre" for its needs, and also because it was, after initial misgivings acceptable to existing employees.

Burroughs Machines employs about 35 people—expected to double within the next year—at four units in the city, to which it moved last August and where it plans to construct a 400-place staff and customer reception training college. Like VW, the company was

attracted for reasons of convenience. Milton is not only within 1¼ hours' driving distance of London Airport, but it is served, directly by the M1 motorway, and the main London-Birmingham electrified rail link.

A new £7.8m station/office complex being built jointly by British Rail and the development corporation will serve the city direct when it opens next May, but it will not replace the nearby stations at Bletchley and Wolverton, where BR is a big local employer at its carriage works. Inter-city as well as other suburban services will make additional stops at the new station.

The 145-unit regional shopping centre is the largest covered mall of its kind in Britain. Dickins & Jones plan to open a big department store there in September.

One of the founding aims of Milton Keynes was to avoid "new town blues" experienced on similar projects elsewhere, by synchronizing the infrastructure development with that of housing growth.

The shopping centre, the community and cultural activities and an environment landscaped for people (including 50

miles of cycle paths) are concrete symbols of that aim, while the relative freedom from social or industrial problems testifies to its success.

A further factor is the planned provision of reasonably priced new housing offered for sale at prices which start at £17,000, and the availability of 110 public houses, which are being encouraged by the development corporation. Rates are at present 13.13 per cent higher on commercial premises than last year, and 15.47 per cent on domestic premises. Industrial units ranging in size from 500 to over 25,000 sq ft are available at rents of £2.08 and £2.10 per sq ft.

What may dent the image of Milton as a city offering newcomers a definite living-cost advantage. But it has clearly outlived its growing pains and emerged to approximate closely with the idea of a necessary, viable and above all pleasant place in which to live and work.

Nicholas Cole

Business Diary profile: Michael Beesley and British Telecom

A new verb, to Beesley, could enter business jargon this week, meaning to break a state monopoly, such as that exercised by British Telecom, obliging the former monopolist to take on all comers.

Generations of nationalized industry employees, as the word is synonymous for vexatiousness. "Bit of a beesley" will say the management team, teasing back the latest pay claim. "Be beesleyed" will say the union negotiators will say, rejecting management's counter-offer.

The verb is already in use, accompanied by a chuckle, in the corridors of Michael Beesley. He is Professor of Economics at the London Graduate School of Business Studies.

The mid-mannered don is the author of a controversial study—*Liberalization of the use of the British Telecommunications network*. This says that in the home market there should be no restriction on the freedom to offer services to third parties, and thereby makes of Beesley a hoganym to British Telecom managers and unions alike.

The study was commissioned by Sir Keith Joseph, the Secretary of State for Industry. A sentence in the study is expected in the Commons this week. Since the professor has now supplied the economics for Sir Keith's latest edicts, it seems unlikely the minister will do a Beesley and fault the study's findings. Beesley thinks that competition is important in ensuring business efficiency. Further,

more, he thinks unwise, solely to rely upon the market judgment of a monopoly body, especially when one can get out for independent data—particularly if furnished by Professor Beesley.

Beesley has had little opportunity personally to practice the economics he preaches, although he is a director of British Rail's Transmark consultancy.

Now 57, he first read and then taught commerce at the University of Birmingham, where a colleague was Alan Walters. Mrs Thatcher's pet domestic economist. "Of course, I was a Liberal at university," says Beesley. "I was out of time with the two main parties."

He canvassed for the party in those days. Although he is now called upon by a right-wing

Tory government, it is only fair to point out that he was chief economic adviser to the Ministry of Transport in the late sixties, when a right-wing Labour government was in. Whatever his economics, Beesley describes himself as politically independent.

Like Walters, Beesley headed for the United States. "You hadn't come of age in the academic world to the fifties until you had received an invitation to go to America," he remembers. "I just scraped in," he adds, referring to the year 1953-54, he spent as visiting Associate Professor of Industry at the University of Pennsylvania.

He did not regard this stay as the greatest intellectual experience of his life, but nonetheless he has been to-ing and fro-ing across the Atlantic ever since. He has advised United States government agencies on urban transport problems through the Urban Institute in Washington. He has been a visiting professor at both the economics department and the business school at Harvard.

Beesley's pet hate is pig-headedness. He seems to enjoy being with, and even says that there are times when monopoly is justified—which will surprise those critics who thought his British Telecom brief was to destroy rather than to ginger up that body.

Beesley's critics, nonetheless, are many. Given the passions aroused by "liberalization", it has been Beesley's misfortune that he has had little opportunity to answer them. Sir Keith commissioned his study last August. It was delivered in

January but not published until April. A meeting at which Beesley could have made his views was postponed by government dithering. By the time minds had been made up, Beesley was away—in Australia this time—and the meeting was held in his absence.

A radio interview was attempted over the telephone from the UK to Beesley in Australia. That chance to speak was denied the professor because the time was too bad for the interview to be broadcast.

That was ironic, but also a pity because he is far from dogmatic. His viewpoint, however unwelcome to the listener is likely to be sweetened with a joke and critics can come away liking the man if not the message.

Some critics question the value of the liberalization study because Beesley lacks experience of the industry. "What would they say if I had been a dyed-in-the-wool telecommunications man?" he retorts.

Although much in demand as an academic in this country, in the United States and elsewhere, he remains unfulfilled in one way. "I always wanted to run a small business. To do something and make some money."

By the end of the week, however, it may be that Michael Beesley has done something to make British Telecom a smaller business than it was, and in so doing helped some yet smaller businesses make some money.

Bill Johnstone

*RMSO (£3.60).

People with a position to maintain in the world keep informed with The Times Special Reports



Beesley tries to dial a Beesley: Professor Michael Beesley, challenger of the telecommunications monopoly.

Huntleigh cautious on expansion plans

High technology defence and medical equipment group Huntleigh is now seriously looking at two companies in its field which it might like to buy.

Mr. Rolf Schild, joint chief executive of the group whose profits showed a recovery last year after dipping in 1979, is coy about those he is watching.

But he is well aware that the danger of technology companies is the amount they spend on research and development. He says experience shows that many overstretch themselves, get into financial difficulties, and then someone else buys them out to reap the benefit of the research they have done. "We think there are a few like this at the moment and we are casting around", he said.

Mr. Schild says Huntleigh always keeps its R & D between 8 to 10 per cent of turnover. Last year that was about £500,000, but a further £750,000 is spent by the Government using Huntleigh facilities for defence research.

Huntleigh's expansion comes

at a time when it also plans to launch two new products—one in the medical field and the other linked with the "chip" industry.

Within three months its offshoot plans to launch a new product—equipment for deep vein treatment of post-operation thrombosis. This technique is already accepted as a treatment in the United States and Germany, but has yet to be used in this country.

The group has also formed a joint venture with Kodak to enter the photoreceptors market with a technique for mass producing "chips" for the semi-conductor industry.

Both of these are expected to contribute to profits next year. The group reports figures for the six months to last June in September.

In his last annual report, Mr. John Kippers, chairman, said that its major profit earner, Hymatic Engineering, is expected to turn in a sluggish performance in the first half, but an upturn is expected between July and December.

Oil exploration stocks recommended

The oil industry is thoroughly explored in the latest batch of brokers' circulars with an oil quarterly report from Greaveson Grant and Co. The monthly comment from Williams de Broer Ltd. Chaplin.

Overseas traders contrast comment from Simon & Coates, and engineering groups are coming in for close inspection.

William de Broer Ltd. Chaplin's oil report says that with a depressed trading background, the major oil groups are unlikely to perform well without an oil price rise and a cut in Saudi production. Instead, it recommends smaller exploration and production stocks which are likely to do well in the short term out of rising spot oil prices and takeover rumours.

To that end, Williams de Broer recommends Berkeley Exploration and Production, and Cydonia Petroleum. The latter is a smaller company, but its assets are valued at £10m.

Greaveson Grant also rates Berkeley Exploration a speculative buy, along with Orlan Oil, Anvil Petroleum, Aram Energy and Cambridge Petroleum. Royal Dutch is also on the shopping list and the rest, including BP, Barmah, Clyde, Camoco and Charterhall, are rated no higher than a hold.

In Australia, Woodside Petroleum is a sell, and its Japanese gas project is safely under way, while Bridge Oil and Herten Energy are recommended by the Greaveson team. In the United States, the team thinks Exxon is worth taking on as a primary energy source. It is also a buy, among others, are on the buy list.

Phillips & Drew and Panmarco are also recommended. Phillips & Drew is more enthusiastic, rating IG Gas a buy, assuming faster profits growth in 1982-83. But Panmarco's growth in 1982-83 is a hold, saying that prospects are dull, while development expenditure on the Maureen Field is rising.

Elsewhere, Duff Stoop believes that coal is king again in the United Kingdom, overlooking oil as a primary energy resource. Its latest coal and energy monthly looks at companies making mining equipment. Of those heavily committed to this field, Duff Stoop recommends Central & Shearwood. It says Anderson Strathclyde and Dowry are worth holding onto, but believes it is time to reduce holdings in Dobson Park.

However, it is the companies with less exposure to the min-

Brokers' views

ing industry and NCB cutbacks that are the main recommendations from Duff Stoop. Northern Engineering fares worst with a no more than a hold recommendation. Laird Group, Costain and CSR are favoured.

Dowry Group is not looked on kindly by Henry, Cooke, Lumsden, which is recommending a switch out of it into Smiths Industries. But GKN may not meet Henry Cooke Lumsden's earlier forecast of a profits recovery to £20m pre-tax after £10m forecast for this year.

Quilter Hilton Goodson has also brought out a book on engineering. Its main message is that investors should get ready to buy, and the stocks to go for are: British Aluminium—a buy for recovery and Tube Investments as a hold for recovery. Lead Industries, J. H. Fenner, and J. D. Jones are all favoured. Unilever is a hold.

Quilter says Dobson Park is now a buy; and recommends hanging into GKN. Its 1982 profit forecast is more cautious than Henry Cooke Lumsden's at £30-40m pre-tax, and just £5m for 1981. Finally, Quilter would lighten holdings in Vickers, after 1980's performance, with a poor start to this year already indicated by the group.

Quilter also has cast an eye over property groups. Lynton Holdings, Parnall, Estates and Property & Reversion Investment. The latter is recommended with compound profits growth of 10 per cent annually expected as rent reviews and reversions feed through. Quilter argues that Lynton and Parnall are worth holding with rapid expansion expected soon from Lynton and steady profits growth anticipated at Parnall.

Pannure Gordon has put mining group MIM Holdings under its microscope but does not like what it has found. The shares should be sold into any rally, Pannure says. It expects a very poor second half to end June to emerge, including a barely profitable final quarter running on into possible losses now. But the brokers are a little kinder about the long-term outlook for the group.

Timber shares are popular just now at Greaveson Grant. May & Hassell shares are recommended.

Catherine Gunn

Business appointments

Personnel and industrial chief for John Brown

Mr. John Cousins has joined the board of management at John Brown and Company as director of personnel and industrial relations. Mr. P. S. Whitaker, at present a divisional advances controller, Midlands Branch, has been appointed assistant general manager, corporate finance division. He succeeds Mr. P. G. H. Avis who is retiring.

Mr. Kenneth Edwards has become chairman of the British Electrotechnical Committee and the Electrotechnical Division Council of the British Standards Institution. Mr. Edwards is the chief executive of the British Electrical and Allied Manufacturers' Association (BEAMA).

Lloyds boosts banking estimates

This week

Analysis have been steadily upgrading earlier estimates for the rest of the banking sector after Lloyds Bank's better-than-expected interim profits more than two weeks ago.

Just how accurate these latest estimates prove will be seen later this week when National Westminster, the Midland Bank and Grindlays Holdings unveil their interim statements.

Also reporting this week are Imperial Chemical Industries, with interim figures, and the international trading group Lloyds.

On the economic front, the CBI reports tomorrow on its industrial trends survey for July, followed on Thursday by the estimate of number of days lost through short-time working and industrial stoppages during June from the Department of Employment. In addition, the Department of Energy gives details of its latest energy trends.

Finally, on Friday, the Department of Industry lists the car and commercial vehicle production figures for June.

The banking season gets under way tomorrow with National Westminster reports. Earlier estimates of between £180m and £190m have now been upgraded to around £215m to £220m. However, these estimates still fall short of profits for the corresponding period last year when the figure reached £224m. Admittedly, the lower interest rates encountered during this period will have placed increased pressure on margins but, at the same time, costs should prove to be a lot lower. Provision for bad debt is also expected to show a downturn.

Despite the shortfall in profits, the interim payment is unlikely to suffer and the experts are still looking for a modest increase over last year's payment of 12.5p gross. Grindlays Holdings also reports tomorrow, is likely to show a further increase over last year's figure of £17.4m with most expectations pitched around the £19m mark. Much of the improvement should come from its overseas activities, now making up a large part of overall profits. The recent depreciation in the value of sterling is responsible for much of the improvement with Hongkong and the Middle East standing out strongly.

However, as a result of the recession, particularly among Third World countries, the element of bad debt is expected to increase. Even so, last year's interim payment of 1.78p gross should easily be rounded up to 2.14p gross this time.

The Midland Bank's interim profits, expected on Friday, have been rounded up on average from around the £57m to £110m mark to a higher figure of between £100m and £120m. But as in the case of National Westminster, a shortfall over the comparable figure of £124m last year.

A drop is expected in the domestic provision for bad debt. But overseas a figure of £10m is expected, certain from one of its Austrian customers. In the meantime, lower interest rates, while producing thinner margins, will also result in lower costs.

Once again, observers are expecting an increase in the interim dividend, somewhere in the order of 10 per cent over last year's figure of 10.7p gross. Lloyds's interim statement, due out on Thursday, is likely to reflect the problems caused by the world recession. Estimates to date show pre-tax profits sliding from £52m to £45m, although an interim payment of 2.9p against 4.2p is still on the cards.

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Much of the profits shortfall will come from the depressed conditions in the UK. However, profits from mining interests are expected to be lower. Both Tweston and Coranor Syndicate have already reported profits roughly halved.

The slump in the gold price is responsible for much of this, although platinum has held up relatively well. The weaker pound is unlikely to play a big part this time around because the group normally reverts to sterling and exchange rates.

On a brighter note, profits from sugar trading should show an increase and Nigeria should make an improved contribution.

Prospects for the remainder of the year look better with recent investment in Mexico, the United States and South America expected to start showing through. Nevertheless, the group is unlikely to repair the shortfall of the first half.

Imperial Chemical Industries second-quarter results, due on Thursday, are expected to show pre-tax earnings of some £70m to £90m against a restated £105m last year and £52m in the first quarter.

Analysts said the recovery starting in March and April, partly reflecting the seasonal pattern, has eased off in recent months.

Results for full 1981 pre-tax profit vary between £250m and £400m against £284m in 1980, with several leading analysts seeing flat earnings. Analysts said the interim dividend could well be cut from last year's 12 pence a share, though the full-year payout is likely to match the 1980 total of 17 pence. The 1979 dividend totalled 23 pence, declared before chemical markets collapsed after the 1980 first quarter.

They added that ICI's mainly United Kingdom and European customers are continuing to live off minimum inventories, though the major destocking phase has ended.

First-half 1981 results will nevertheless reflect a major improvement on second-half 1980 conditions when ICI reported losses for the third and fourth quarters. Restatement of accounts produced a nominal profit for those periods.

TODAY — Interims: Bank Leumi (UK), CSC Investment Trust, Nottingham Manufacturing and Temple Bar Investments. Final: A. A. H. Aeronautical & Gen Instruments, Ellis & Everard, McCarthy Pharmaceuticals, McCarthy Wine, Midland Trust, Striking Knitting Group, and F. H. Tomkins.

TOMORROW — Interims: Bootham Engineers, City Offices, Dunbar Group, Grindlays Holdings, Mount Charlotte Investments, National Westminster Bank, Reed International, U C Investments, Vantage Securities, and Vantage Group. Final: A. A. H. Aeronautical & Gen Instruments, Ellis & Everard, McCarthy Pharmaceuticals, McCarthy Wine, Midland Trust, Striking Knitting Group, and F. H. Tomkins.

WEDNESDAY — Interims: Consolidated Co Bultfontein Mine, and Grigal and West Diamond. Final: none announced.

THURSDAY — Interims: Imperial Chemical Ind, Lex Service, Lombr, P Pratt Engineering, and Prestige. Final: Dixons Photographic, Fitch Lovell, J. Jarvis and Sons, J. W. Spear & Sons, Saveri Zignola and Co, and Steinberg Group.

FRIDAY — Interims: Arbutnot Government Securities Trust (fourth interim), Martin Ford, Midland Bank, and Plastic constructions. Final: Gray Electronics, Heston, Heston Cycles, Marling Ind, R. H. Morris, and Security Centres Holdings.

World markets

The glitter fades in Australia as shares slide

Low metal prices and high domestic interest rates have sent the Australian share market into a steady slide.

Last week the all-ordinaries index fell to its lowest point for 1981, to 5402. The 28-point slide in the five days trading represented a market loss of more than \$42,000m.

But there are some bright spots which could at least lead to a steady this week. BHP, easily Australia's biggest company, announced on Friday a 23.7 per cent increase in profits for 1980/81 to £1,200m (about £200m).

Cheerful news on inflation could also encourage investors this week. For the final quarter of the 1980/81 year, a 2.2 per cent rise in the cost of living index completed a year in which inflation increased by only 8.8 per cent — far below even the Australian government's expectations.

Finally, in the midst of the general slide, oil and gas stocks held firm last week. On fairly thin trading, the index declined only marginally, by 1.8 points, to 781.6.

BEP fell on news of its result by 35 cents to \$41.50, probably because the market had expected an even greater improvement, and because of rumours that the company was about to ask shareholders for more funds.

Poor metal prices, particularly for gold, have removed the glitter from Australian markets in recent months.

Soaring interest rates in Australia (on the short term money market) they are frequently above 15 per cent) have also drained such cash out of equities.

Many speculative stocks had reached inflated levels last year and a shake out had been expected. The resilience of the market in the early months of this year surprised brokers.

Overseas, and particularly London investors, are a crucial factor in the mining market. Their neglect in recent weeks of former glamour stocks has been a factor in the sharp decline.

The energy sector is holding

Weekly list of fixed interest stocks

Among the leaders, Cheung Kong stayed steady at HK\$31.25 but Hong Kong Bank lost 55 cents to 16.50, K. H. Land 10 to 11.40, Jardine Matheson 40 to 42.40, and Swire Pacific 20 to 18.40.

The Hongkong market finished last week in a worried vein in contrast to the new high recorded on the Hang Seng the previous day when the index soared to 1,810.20.

Within hours of the new high, banks raised local prime rates a point to 18 per cent which became effective on Tuesday.

But continued fears of higher interest rates kept the market under a cloud and shares prices fell. On Monday the Hang Seng dropped 32 points, to 1,778.4, and after a small technical rally, closed on Friday 10.17 down at 1,688.56.

After the Hongkong Association of Banks meeting last Friday the banks announced that deposit rates would remain unchanged, and the Financial Secretary, Mr. John Breckinridge, said he would be surprised at "any rise in this week."

Despite the fact that the market was still nervous, but trading active with volume on all four local exchanges estimated at HK\$700m (about £71m).

But the small technical rebound on Friday afternoon led dealers to expect that prices may have stabilized, although downward pressure is still anticipated short-term. Trading is likely to continue in a narrow range, unless interest rates rise further.

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McLeod Russel gets 20pc stake in DIG

Former merchant banker Mr. Andrew Deacon, who set up his own business just after the last general election, announced yesterday that his ex-employer, County Bank, and international holding company, McLeod Russel has taken a 20 per cent stake in this private concern, Deacon Industrial Group (DIG).

The company makes the machinery which produces plastic spoons, moulded interiors for aircraft, cars and fridges and other plastic products. It made pre-tax profits of £273,000 in its first year, expects to produce £1m profits by next May and will seek a full Stock Exchange quotation within three years.

It has just spent around £37m on buying the Macclesfield range of injection moulding machines and £205,000 buying the Romford-based Austin Allen which claims to be the country's leading maker of injection moulding machines.

Mr. Deacon said: "The advice I always give clients is not to come to the market too early. We might come to the USM, but I doubt it. We shall probably go for a full quote in 1984 when we should be making profits considerably more than £1m."

County Bank's 10 per cent stake and McLeod's 20 per cent holding is designed to help finance the acquisitions. McLeod's managing director, Mr. John Campbell, is to become a non executive director. Other shareholders of DIG include Mr. Philip Harris, chairman of Harris Queensway, a group which Mr. Deacon with County Bank helped float on to the Stock Exchange. Mr. Harris and Mr. Deacon, each have around 26.5 per cent of the shares. Mr. Hugh Sykes, a non executive director of Harris Queensway, and recently appointed chairman at carpet makers Hestray, also has a stake in Deacon.

Good year for wheat but some crops low

Whatever happens to industry in a recession, the need of people to eat is not much reduced. In fact, it is increasing to see the International Wheat Council forecasting a very good wheat crop of about 465m tonnes in 1981. But the picture is not all rosy. Those traditional rivals, India and the Soviet Union, show many signs of producing too little again.

Wheat production last year totalled 444m tonnes, so even if the IWC is optimistic—which is not its wont—the final result should be an improvement. This is especially encouraging since only six months ago we were being warned that to expect another good wheat year would be unduly sanguine. Prices at the beginning of 1981 tended to reflect fears of a smaller harvest.

But once more it seems the extraordinary capacity of the American agricultural industry consistently to beat its own records was negated. A vital ingredient in that forecast is the projection of a record American crop of 76.5m tonnes (against 64.5m tonnes in 1980). Canada should also do well, contributing 24m tonnes (19.1m tonnes in 1980).

Without a strong performance in these areas the outlook for all of us, not just the poor, would be noticeably worse. Wheat production this year in the Soviet Union is expected to be better than last year's disappointing 38.1 million tonnes. India will probably have to import wheat for the first time in four years. Production is put at 34 million tonnes, 2.4 million tonnes less than last year but too small an increase to keep pace with demand.

For the Soviet Union, long plagued by agricultural difficulties, the prospect of another poor wheat harvest is a bitter blow. The government launched a campaign during 1981/82 to cultivate more area, raise yields, and improve transport and technical resources. Over the last five years consumption has consistently outstripped domestic supply: the balance had to be met from imports averaging 8.5 million tonnes a year.

The total grain area in the

Signs of resilience in market

Freight

Prices for Eurodollars beginning to pick up

Euromarkets

As an open price deal with an indicated coupon...

On Friday, a syndicate was being assembled with plans to launch early in the week a \$30m (about £15m) issue of the public service company of New Hampshire, a new entry to the Eurobond market. Syndicate sources said consideration was given to issuing the bonds with a 27 per cent coupon. It would be a record for the Eurobond market.

London dealers were quick to declare that the small size of the issue meant that it should not be considered a "bell weather" for the market. Even so, the indicated coupon is significant in that it shows where interest rates are going.

Taking another approach to the uncertain Eurodollar market, was the Pacific Gas and Electric Finance Company, which announced a \$50m seven-year issue on Thursday night. The bonds are being handled

Euromarkets

STRAIGHT DEBT

CONVERTIBLE BONDS

ACCOUNT DAYS: Dealings Began, July 24. Dealings End, Aug 7. \S Contango Day, Aug 10. Settlement Day, Aug 11. \S Forward bargains are permitted on two previous days
(Current market price multiplied by the number of shares in issue for the stock quoted)

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(Current market price multiplied by the number of shares in issue for the stock quote)

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Benn says contest pulls party together

By Our Political Staff

Mr Wedgwood Benn, in full campaigning cry for the deputy leadership, claimed yesterday that the contest will bring the Labour Party much closer together.

The real gain, he said on the BBC's *The World This Week*, is that for the first time in many years there has been discussion of some trade union conferences. And that has happened in every constituency party where they have been deciding how they would vote in the electoral college.

Mr Benn, who said his illness has left him with "wonky legs" but no other effect, sidestepped Mr Michael Foot's challenge to him to contest the leadership. He said he supported Mr Foot.

Mr Benn rejected the suggestion that he has accused his Shadow Cabinet colleagues of "duplicité". "I was saying what the deputy leader (Mr Denis Healey) said the other day at the Executive—that he was opposed to the policy of the party on defence."

"It's a well known fact that a number of members of the Shadow Cabinet disagree strongly with the policy of the Labour Party."

Now the difference between the old and the new is that in the old days conference would reach a policy, and then the Shadow Cabinet felt free to do what it liked. Now there is an election for the deputy leadership, and the conference this year will have the opportunity for the first time of discussing the policy, and setting it, and settling the question of the leadership.

Labour's choice

for Croxford

Mr Stanley Boden, aged 45, a secondary school history teacher, has been selected as the Labour Party candidate to fight the Croxford, North-West, by-election (Frances Gibb writes).

Mr Boden, who was selected on first ballot, describes himself as occupying a "centrist" position in the party. He has contested the seat for the last four general elections in which he came second each time.

He does not see the Social Democratic/Liberal alliance as posing a great threat, but says: "We have got to show people in this constituency that we have got a solid Labour vote and we have got to show that the Social Democratic/Liberal alliance is an alternative to the Tories, and not to Labour."

Mr John Winterkill, aged 40, a chartered surveyor, has been chosen as the Conservative candidate to fight the by-election.

Pitt profile, page 3

Police rout 1,000 scooter youths on Keswick rampage

From Our Correspondent, Keswick

Police put on show an array of weapons yesterday, including coshes, whips and motor cycle chains seized after a night of violence in which a thousand young "mods" terrorized a Lake District town.

Trouble flared after scooter-riders from all over Britain invaded the picture postcard town of Keswick on Saturday night. In a pitched battle in a car park, police, armed with riot shields and helmets, were pelted with stones and bottles.

One officer was treated in hospital for leg injuries and 14 people were arrested. They will appear before a special court this morning.

Traders and shopkeepers yesterday were clearing away the debris and counting the cost of the damage. Shop and restaurant windows were smashed, a caravan and kitchen were wrecked and a mobile theatre was badly damaged. A barricade in the car park was set on fire.

A police charge dispersed the youths and as they retreated from the town Square, firebrand Jack Taylor praised

his men for the way they had handled the situation. "They withstood extreme provocation by large numbers of these scooterists. There of these exactly as I would have expected."

Our officers stood their ground and managed to contain these youths in the car park so that the town centre, the main shops, and so forth, were not damaged."

Councillor Claud Metcalf, the mayor of Keswick, said the attack by the scooterists on the Lakeside car park and the fragile Century Theatre was "quite vandalism."

"Everything in the car park that could be broken was broken, including the kiosk, and there was glass everywhere. A caravan next to the Century Theatre was burnt out. There was no glass left in the front of the theatre and its two bars were wrecked."

But the theatre seats, stage and scenery were undamaged and the show will go on tonight with a performance of *The Steep to Conquer*.

Police say fire at Bart's was arson

A fire which seriously damaged St Bartholomew's hospital, London, was started deliberately, police said last night.

Off-duty doctors and nurses rushed to the hospital early yesterday to help colleagues evacuate hundreds of patients as 200 firemen, with 30 fire engines, fought for two hours to bring the fire under control.

It was started in a linen cupboard in the basement of the main block, and thousands of pounds worth of sheets, blankets and supplies were destroyed. Seven people were overcome by smoke and two were slightly hurt.

Last week a fire started in a lift at the hospital, which is an emergency standby this week because it is the nearest medical centre to St Paul's Cathedral.

Firemen stopped yesterday's fire from spreading through the main block, but smoke seeped through underground passages and up into the wards.

Mr Raymond McCoy, the deputy administrator, said the basement had no fire-doors to stop the smoke and blamed lack of cash.

"If there had been fire-doors we would not have had to evacuate as many wards as we did. Unfortunately the money is not there to bring in the fire precautions that are possible."

He was as happy as he could be "under the circumstances" with the hospital's fire precautions.

Last night staff were still cleaning up the wards, but the hospital is expected to be back to normal today. Many of the 300 evacuated patients were found beds in other parts of the hospital, but 31 expectant mothers had to be transferred to Hackney Hospital in the East End.

Staff and patients were congratulated for the way they coped. Mr Anthony Moran, the administrator, said: "Thankfully the fire was contained to the basement, although smoke has affected much of the hospital."

"It could have been much worse, but everyone stayed very calm and did their jobs so there were no injuries to any patients. I cannot praise the people here highly enough, they really were magnificent."

One nurse said: "The alarms went off well before smoke reached the wards so none of the patients were affected. They realized what had happened and were very cooperative."

Several firemen were overcome by heat exhaustion. Two were among the victims of a riot in the town centre. Patients and three hospital staff.



The Archbishop of Canterbury, Dr Robert Runcie, in the robes he will wear at the royal wedding on Wednesday. Photograph by Lord Snowdon.

Bombs shatter Durban car showrooms

From Ray Kennedy Johannesburg, July 26

Two bombs badly damaged car showrooms in Durban early today. Although police said TNT and plastic explosives used in the bombings were of "Eastern origin", they declined to say whether the blasts were the work of African nationalists.

The explosions came less than a week after two power stations in the eastern Transvaal were damaged by mines believed to have been planted by the African National Congress (ANC), an outlawed nationalist organization.

Today's blasts occurred in showrooms of the McCarty group, South Africa's biggest car distributors, badly damaging a score of cars. Two Indian men were slightly injured by the second blast and taken to hospital this year.

Police said later the explosives used were similar to those used to blow up railway lines in the Durban area on three occasions this year.

The most serious attack so far was in April, when an electricity sub-station near Durban was blown up, blasting out scores of factories and homes. This has been attributed to the ANC.

Prime Minister had report on Toxteth tension

Continued from page 1

approached Mr Robin Tibbs, director of the CPRS, to see if he wished to discuss the findings of the report. He declined the invitation last week.

On the basis of the inter-departmental review, Mr Heseltine in February this year confirmed the inner city partnership grants were to continue. The think tank, however, cast a sceptical eye on the overlap of the various government grants targeted on Merseyside, where in March the new urban development corporation was born, and where three of the local councils have been instructed to compile registers of under-used publicly owned land.

The CPRS report said there were no easy answers; that Liverpoolians might have to adapt to service sector employment and give up ambitions of attracting heavy manufacturing industry.

Despite the "now standard" references to the possibility of social tension in seriously deprived areas contained in the think tank document and comparable submissions from other quarters, the scale and ferocity of the Toxteth riot took Whitehall by surprise.

The Pound

Bank	Bank
Australia \$	1.58
Belgium Fr	33.50
Canada \$	81.25
Denmark Kr	2.32
France Fr	14.79
Germany DM	8.28
Greece Dr	11.2
Italy Lit	4.70
Japan Yen	114.00
Netherlands Gld	106.00
Portugal Esc	185.00
Spain Ptas	11.25
Sweden Kr	124.00
Switzerland Fr	1.33
USA \$	1.78
Yugoslavia Dnr	176.00

The papers

The decision by the International Whaling Commission to ban whaling is applauded by the Daily Mirror today. A leading article says tens of thousands of whales have died since the United Nations called for a ban nine years ago and it reminds the reader that there are other animals to be saved from extinction, such as the tiger and rhinoceros.

The Washington Post and the New York Times both had front page stories on the battle to oust Mr William Casey, President Reagan's campaign manager during the election, from his post as director of the Central Intelligence Agency.

Wales and the West: Construction of the Avon Gorge gallery will mean one lane only open at Hotwell Road, Bristol. There will also be a single lane open at Timsbury, near the A43. Between Popple Way and Chiswick railway bridge.

The North: Several delays on the A568 Birkdale road at Widnes, Cheshire. Emergency road works in progress on the A247, Stanningley bypass, Leeds. Delays likely on the A58 Rochdale road at Ripponden.

Inquiries to Automobile Association, on 01-954 7373.

Parliament today

Commons (2.30): Debates on Opposition motion of Confidence in Government's economic and social policies.

Lords (2.30): Belke Bill and Employment and Training Bill, remaining stages.

Premium bond winners

Winning numbers in the weekly draw for Premium Savings Bonds prizes are: £100,000, 16V 974732 (the winner comes from Norfolk); £50,000, 13X 720638 (Mid. 100); £25,000, 32L 897384 (Essex).

Sporting fixtures

Crickets: Tour match (11.0 to 6.0 or 6.30): Worcestershire v Australia at Worcester. County championship (11.0 to 6.30): Derbyshire v Kent at Derby; Nottinghamshire v Lancashire at Nottingham. Other match (11.0 to 6.0): Ireland v Scotland, in Dublin.

Terms: British Junior championships, at Eastbourne.

Racing: Meetings at Bath (2.0), Newcastle (2.15), Windsor (6.20) and Nottingham (6.30).

Golf: English amateur championship, at Burnham and Barrow.

Sport on TV: 11.30 pm, Great Britain of the Seventies, boxing.

Nature notes

Swifts have started the move southwards, especially the young ones, though many are still streaming in the skies at sunset. Meadow pipits and song thrushes begin to drift along the coast. By day, little owls are conspicuous in game-parks and telephone wires, looking out over the bay and corn, bobbing up and down when alarmed. By night, young hawking owls are noisy in the reeds. Ducks are coming into full eclipse plumage, mallard drakes looking like darker brown females, male tufted ducks losing their sharp contrast of black and white. Woodpeckers still coo doggedly, turtle doves, purr in the dark green foliage.

Late summer flowers continue to appear. Yellow toadflax, like small marigolds, blazes on the hedgebanks, with the golden clusters of tansy and the spiky purple heads of teasel. The strong-smelling yarrow is widespread on the verges; red valerian adorns walls and railway-cuttings. The winged seeds of the sycamore are still green and translucent, and birch catkins still hard.

First nights

The Killing Game, Greenwich Theatre (838 7755) opens tonight; Quartermaine's Terms, Queens Theatre (774 1166), opens Thursday (7.30). Talent to Abuse: Arts Theatre (836 3334/2132) opens August 3; The Sound of Music, Theatre Royal, Drury Lane (834 5915/6178) opens August 4; Macmillan's, Lyric, Hammersmith (741 2311) opens August 5 (anti-August 15); Jelly Roll Morton, Lyric, Drury Lane, opens August 6.

Last chance to see...

Theatre: The Elephant, Round House (257 2564) ends on Saturday; Royal Tour, East Court (371 8141) ends on Saturday; Eastward Ho!, Mermaid Theatre (226 1000) ends on Saturday; War With the Neutrons, Riverside Studios (748 3354) ends on August 9; The Best Little Warehouse in Texas, Theatre Royal, Drury Lane (836 6108) ends on August 22.

Cinema

WV American Uncle, Mimsa, 45 Knightsbridge (235 4225) ends on Wednesday.

Church music

Whitcheater Cathedral: Aug 1, Martin Neary (organ) 6.45; By Cathedral: July 27, Cambridge Festival Concert by Halle Orchestra, 8.00; Norwich Cathedral: July 31, Philip Jones Brass Ensemble, 8.30; St Michael's, Cambridge: July 27, music for a royal wedding by Jonathan Rennett (organ) 1.00; Liverpool Cathedral: Aug 1, Roger Allie (organ) 3.00; Glasgow Cathedral: July 27, J. Wight Henderson (organ) 7.30; Aug 2, Nimmo Davidson (organ) 7.30; Brecon Cathedral: July 27, Jane Tunley (violin) and Christopher East (piano) 7.30; Exeter Cathedral: July 29, Graham Stedman (organ) 8.00; Robert Farley (organ) 8.00; Sheffield Cathedral: July 28, Arie Karskens (Holland) (organ) 8.00; Westminster Cathedral: July 30, Christopher Herrick (organ) 6.30.

Anniversaries

Estimote Granados born, 1867; and Blaise Pascal, St Cloud, 1670. Charter setting up Bank of England sealed, 1694.

Air travel

A work-a-rule by pilots of Iberia Airlines is causing delays throughout Spain. Some flights were up to four hours late on Saturday and longer delays are expected today.

Weather

The general situation: A strong ridge of high pressure covers much of the British Isles, but a weak trough of low pressure will be close to N Scotland.

Forecasts from 6 am to midnight:

London, SE, Central S, E England, East Angles, Wales, Dry, dull and misty in places at first, sunny periods developing; wind mainly W, light; max temp 22 to 23 (22 to 23).

Channel Islands, SW England, Wales: Dull at first, sunny intervals developing, but a drizzle and patchy drizzle; wind mainly W, light to moderate; max temp 17 to 21C (63 to 70F).

NW, Central N, NE England: Dry, but dull and misty at places at first, sunny periods developing; wind W, moderate; locally fresh; max temp 17 to 21C (63 to 70F).

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High tides

Location	AM	PM
London Bridge	10.56	4.47
Southampton	10.56	4.47
Weymouth	10.56	4.47
Exmouth	10.56	4.47
Cardiff	10.56	4.47
Belfast	10.56	4.47
Swansea	10.56	4.47
Cardiff	10.56	4.47
Belfast	10.56	4.47
Swansea	10.56	4.47

Best and worst

Highest day temp: Heathrow, London, 25C (77F). Lowest day temp: Cape Verde, 13C (55F). Highest rainfall: 0.13in. Highest sunshine: Teignmouth, 9.2hr.

Resorts

Resort	Sun	Rain	Max	Min
Weymouth	4.7	0.3	24	15
Torquay	8.7	0.2	23	15
Pevensey	8.9	0.7	20	16
Jersey	0.9	17	63	41
Gorleston	1.9	10	18	64

Abroad

Country	Sun	Rain	Max	Min
Weymouth	4.7	0.3	24	15
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Jersey	0.9	17	63	41
Gorleston	1.9	10	18	64

Today's events

The Duke of Kent visits plant breeding station of M. M. Master group, Dorking, Norfolk, 2. Berkeley Square ball, 9.30. Jockeying: Harrow-on-the-Hill station, 1.30.

Talks, lectures

Paintings from Mughal India, by Barbara Bred, British Museum, 11.30; Uccello, Botticelli and Raphael, National Gallery, 1.15; Tippoo's Tiger, by Anne Buddle, 11.30; Nineteenth century furniture design by Anne Ceresole, 2.30; Devonshire Hunting Tapes,

Exhibitions

Society's presents Cecil Beaton photographs during the Harrogate Festival, 8-12; Mompeller Parade, Harrogate, 10-5; Photographs by Bruce Lloyd, Cambridge Art Centre, 10-5; Patrick Proctor, David Paul Gallery, St John's Street, Chichester, 9.30-5; China by Chinese photographers, St. Chisney, Chichester Lane, 9-5; Thomas Carlyle (1795-1881), National Library of Scotland, George IV Bridge, Edinburgh, 10; Photographs of con-

Music

Songs through the ages, Guildhall School of Music and Drama, St Lawrence Jewry, 6.15; Jonathan Bennett plays music for a royal wedding, St Michael's Cornhill, 1.15; Warren Youth Choral of the United States, sing sacred songs, St Martin-in-the-Fields, 1.05; Organ music played by Sandra McCarthy, Southwark Cathedral, 1.10.

Roads

London and the South-east: In Essex from 9 am temporary traffic lights will be operating on the A130 at Rawthorpe and Swiss Avenue, Chelmsford, and the road will be closed to allow for resurfacing. Construction of a new roundabout at Basingstoke, Hampshire, may cause delays on the A33. Between Popple Way and Chiswick railway bridge.

Middlesex: Temporary traffic lights causing delays on the A428 Warwick road at Wellesbourne, Warwickshire. And in Nottinghamshire, there will be two-way traffic on the A100 between the junction between North Muskham and Markham Moor (north of Newark).

Wales and the West: Construction of the Avon Gorge gallery will mean one lane only open at Hotwell Road, Bristol. There will also be a single lane open at Timsbury, near the A43. Between Popple Way and Chiswick railway bridge.

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The Times Crossword Puzzle No 15,588

1	2	3	4	5	6	7	8
9	10	11	12	13	14	15	16
17	18	19	20	21	22	23	24
25	26	27	28	29	30	31	32

ACROSS

- 1 This sort of clue follows its solution (6).
- 2 Five of sixes to be built (8).
- 3 Could it be the golf-course in the picture? (10).
- 4 Arrange alternative, in a way (4).
- 5 War weapon upset her plans (8).
- 6 Crazy fish? (6).
- 7 Field marshal mistaken about number in retreat (4).
- 8 Bound to be read as charm? (8).
- 9 Liberal and his leader also taking part (8).
- 10 Present-day man (4).
- 11 Barker supported Darwin? (6).
- 12 Steps taken prior to attack (3, 5).
- 13 Cooks (females) (4).
- 14 Revolvers (10).
- 15 Postpones Dan's trip, including day abroad (8).
- 16 Change or deny position of winter fuel-gatherer (6).

DOWN

- 1 Habit-forming profession? (5).
- 2 Cordially welcoming pieces for piano? Dear me, no! (4-5).

The Solution of Saturday's Prize Puzzle No. 15,587 will appear next Saturday

Parliament today

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